

OPD Insurance Landscape in India

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Agenda



- 1. Why Health Insurance Required?**
- 2. Health Insurance : US vs India**
- 3. OPD Impact on IPD & What Indian Insurers Need**
- 3. Why OPD did not scale in India in the Past?**
- 4. Why OPD Required and its Relevance for India?**
- 5. Bajaj Health journey**
- 6. Case Study : Launch of OPD Rider Key Takeaways**
- 7. Risk Management : Walkthrough of Risk Dashboard**
- 8. Pricing Tool**

Why Health Insurance is Required



Why Health Insurance Required ?

- **Very High Out-of-Pocket (OOP) Spend:** OOP share is 48–55% of total health spend (vs. global 18%) **#1 reason for medical bankruptcy.**
- **Rapidly Rising Disease Burden:** 70% of deaths from NCDs.
Diabetes: 103M → 134M by 2045; Cardiac admissions up 12–15% YoY.
- **Medical Inflation Among Highest Globally:** Rising Medical inflation 14–16%
- **Low Penetration & High Financial Risk:** Only ~40% coverage (<10% retail). 55M pushed into poverty annually due to medical costs.
- **Hospitalization Costs Escalating Fast:** Avg private IPD bill now ₹65k- ₹80k+ and rising.
- **Inadequate coverage on GMC from Employer side:** Room Rent capping, Lower Sum Insured

Health Insurance – US vs India Market



US vs Indian Market

Factor	United States (Able to Implement OPD)	India (Slow on OPD)
1. Premium Size	~450 Billion USD	~145 Billion USD
2. Tax	Little tax ~ 1%-3%	Earlier GST 18%
3. Regulation & Policy	OPD is mandatory under government health benefits	No OPD mandate; system evolved as IPD-only
4. Healthcare Infrastructure	Integrated hospital-clinic networks with unified EMRs	Highly fragmented OPD ecosystem (clinics/labs)
5. Claims & Coding Standards	Mature digital claims: EDI, CPT, ICD, HCPCS	Limited OPD digitisation; inconsistent billing
6. Fraud Control	Strong coding + network contracts → lower misuse	OPD easy to inflate/fabricate ; high fraud risk
7. Actuarial Pricing Data	Decades of OPD claims → accurate pricing	Sparse OPD data → expensive premiums, unpredictable risk
8. Admin Cost Structure	High premiums + employer pooling cover OPD admin cost	Small-ticket claims make admin cost > benefit
9. Consumer Behaviour	Consumers expect comprehensive insurance	Consumers prefer catastrophic hospital cover only

Globally, insurers are discovering that better health isn't just good for people — *it's good for portfolios.*

A quiet revolution is underway, where **OPD and Wellness** are **redefining** how the industry measures **risk, engagement, and profitability.**



Global Evidence – Prevention Delivers Profitability



SWISS RE (2022)

Health and Wellness Engagement Impacts

Input

H&W Premium : 1.5%-3%
engagement rate : 25-40%

Output

Mortality : ↓ 2%-4%
Persistency ↑ 10-15%
ROI ≈ 3× within 3 years
Every 1% mortality improvement
= +35-50 bps margin uplift

Actuarial Validation

LSE & Vitality Group (2024)

The Vitality Habit Index

Input

Sustained physical activity ≥ 3 days/week for
≥ 2 years

Digital engagement + behavioral rewards

Output

Mortality : ↓ 27%
Hospital Cost : ↓ 13%
Chronic Risk : ↓ 19-41%
Habit Persistence : 6 Yrs+

Behavioural Proof

Discovery Vitality (2010)

*The Association between Medical Costs and
Participation in the Vitality Health Promotion
Program*

Input

Tiered wellness rewards linked to activity &
screening
Structured health risk assessment & coaching

Output

Hospital admissions ↓ 7-20 %
Hospital cost ↓ 7-21 %
Impact in Metabolic ↓ 21 %
Cancer ↓ 15 %

Real-World Proof

Sample Size

25 Mn Life Insurance Policies across
global markets

5.1 Mn Vitality members across 7
countries (2016 – 2023)

9.49 Lac insured adults analyzed over 3
years in South Africa

Impact

USD 30-60 M gain per USD 1 B
portfolio

USD 120 – 150 per member per year
saving ≈ USD 120 – 150 M for 1 M
active members

USD 70 – 100 M annual medical cost
saving per 1 M lives insured

To make **Health & Protection portfolios profitable and sustainable** Indian insurers must evolve from being risk payers to **health partners**.

This demands **embedding wellness, data, and care integration** into core insurance operations — not as add-ons, but as growth levers.



What Indian Insurers Need



KEY OPD USE CASE	PROVEN IMPACT	PROPOSED INITIATIVES
Preventive OPD Screenings & Check-ups	• 5–10% fewer hospital admissions for regular OPD • Early care avoids admissions ⇒ ~95% cost savings	✓ Embed OPD screening/health-check riders in plans ✓ Set OPD sublimits to drive early visits
Chronic Disease Management (OPD)	• 77 million Indians have diabetes – Continuous OPD care for diabetes cuts emergency admissions • Improves disease control, reducing IPD complications & claims costs	✓ Cover Consultations, lab tests and pharmacy for chronic patients ✓ Provide remote patient monitoring with tele-coaching
Telemedicine / Virtual OPD	• 50% of OPD consultations can be virtual, expanding access and convenience • Enables 24x7 care; improves adherence for minor issues	✓ Integrate cashless teleconsultations into OPD plans ✓ Partner with telemedicine providers for chronic follow-up and routine care
Post-Discharge OPD Follow-Up	• Scheduled OPD follow-ups significantly reduce readmissions • Lowers IPD claim costs by catching relapse early	✓ Automate scheduling & cover post-discharge clinic/tele follow-ups ✓ Use case managers to ensure adherence to discharge plans
Wellness & Engagement Programs	• Gamified health initiatives improve chronic outcomes and encourage check-ups • Boosts member loyalty and improves overall risk pool health	✓ Reward healthy behaviors for completing check-ups ✓ Provide personalized coaching to sustain healthy habits

Source: Industry studies and reports [insuranceasia.com](https://www.insuranceasia.com), [businesstoday.in](https://www.businesstoday.in), [getvisit- Insurtech Association Report on OPD](https://www.getvisit-Insurtech.com), [pazcare.com](https://www.pazcare.com),

OPD- Overview of the Market & Relevance



OPD Landscape

01

MARKET SIZE & GROWTH*

Overall Market Size: 2000 Cr.

Channel wise break-up:

- Retail: ₹500 Cr.
- Banca: ₹400 Cr.
- GMC: ₹1,100 Cr.

02

KEY INSURERS*

OPD Market in India is currently dominated by:

- **Bajaj GI:** 600 Cr.
- **Aditya Birla HI:** 450 Cr.
- **Care HI:** 100 Cr.
- **HDFC Life:** 60 Cr.

03

CUSTOMER SEGMENT

Retail:

- 50% of the OPD customers are in the age range of 31 to 45 years old

Banca

- 55% of OPD users are male, indicating a balanced distribution

GMC

- 91% companies opt for fixed OPD wallets ranging from ₹ 10K to ₹ 75K.
- 63% Unique utilisation indicates higher engagement chances

04

PAIN POINTS

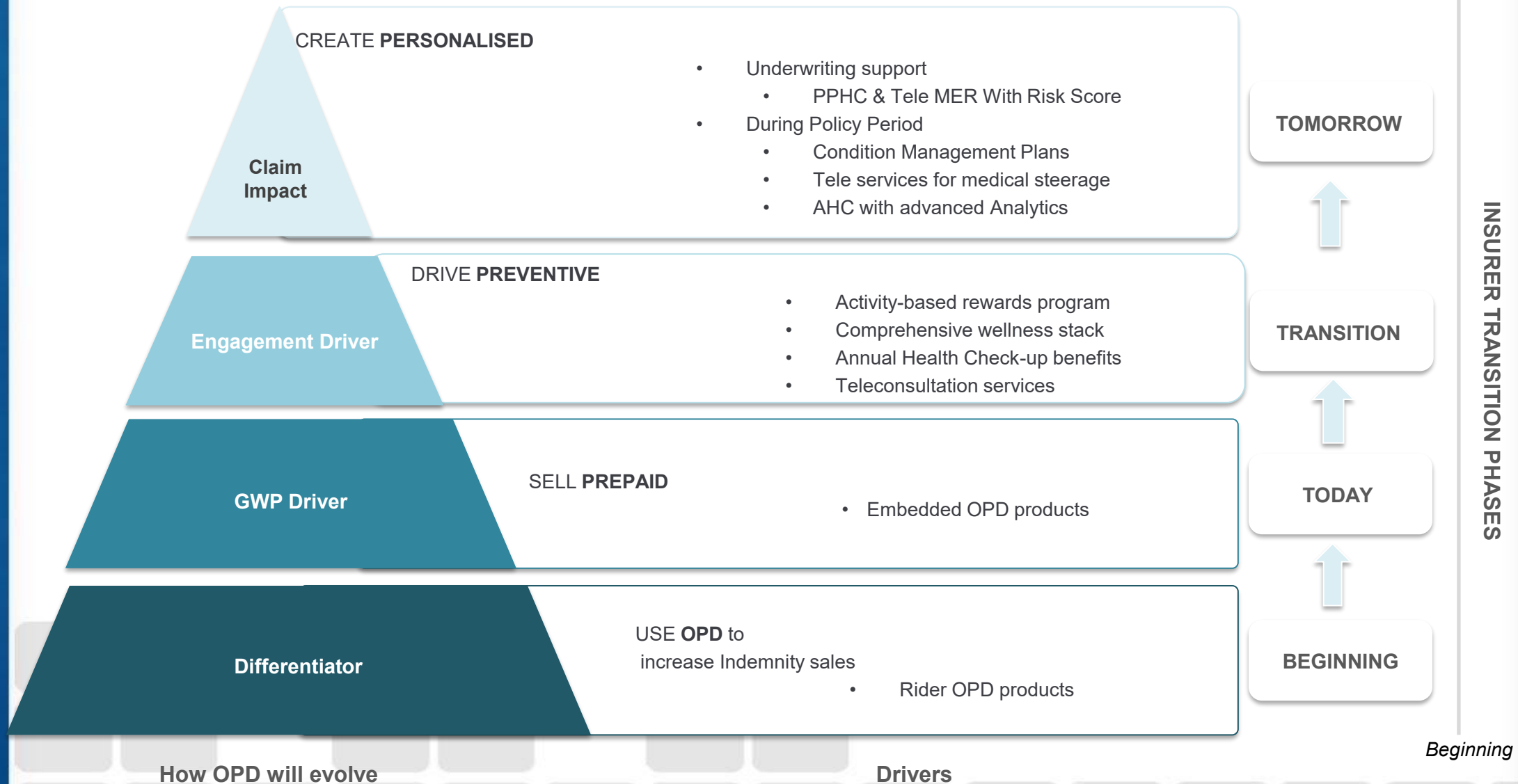
- **Low uptake**
 - Retail OPD Insurance is 0.1% of total OPD spends in India
 - Adoption remained stagnant although the demand for OPD rose from 5% in FY21 to 20% in FY24,
- **High claim processing cost**
 - Frequent low ATS claims lead to higher administrative cost

OPD Product Relevance

RELEVANCE TO INSURER

High

Low



Challenges in OPD

Digital rails, networks & controls matured only in last 3-4 years



High Anti-Selection Risk

3-5x higher utilization vs IPD

- Wallet burnout & fraud concerns
- Repeat visits hard to predict



Limited Cashless Network

10x more complex than IPD

- Needs clinics, labs, pharmacies, dental
- Very Limited provider APIs or automation



Pricing Challenges

No historical OPD data

- Couldn't predict usage patterns
- Conservative underwriting = avoidance



No Digital Infrastructure

Pre-2020: paper-based, high admin cost

- No e-prescription or tele-consult
- Missing Low-Cost AI enabled Fraud detection



GST Impact: 18% Tax

Direct OPD services: 0-5% GST

- Insurance OPD: 18% GST
- Made bundling unattractive



Operational Complexity

High-volume, low-ticket size

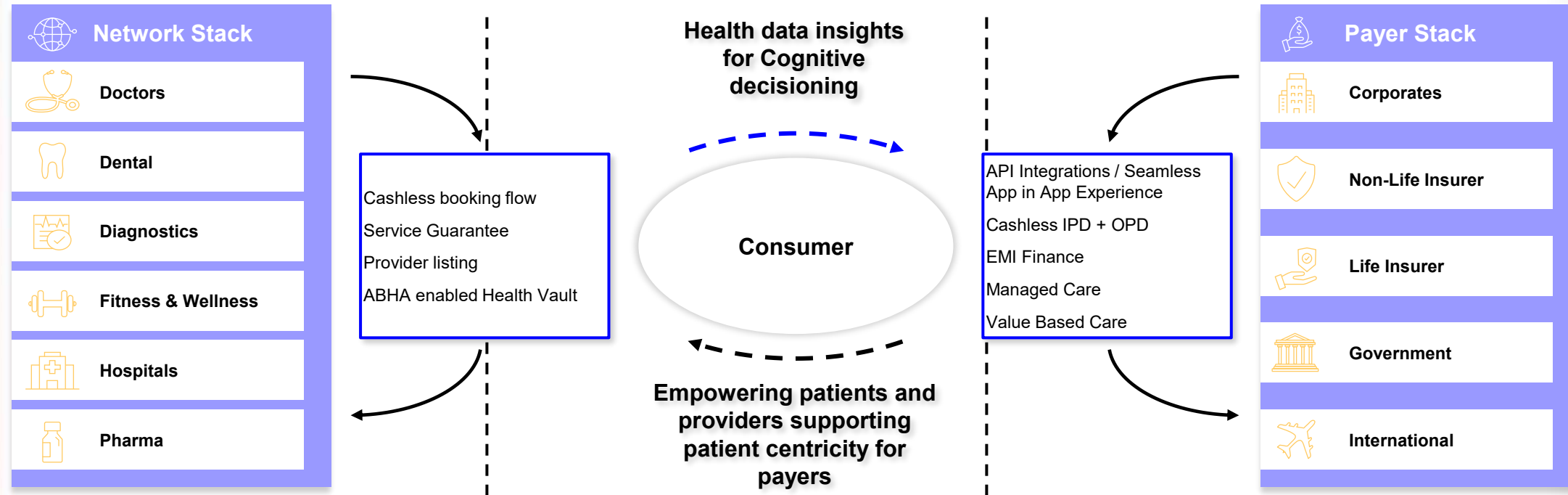
- ₹150-200 processing cost per claim
- Cost exceeded benefit amount

BFHL Journey

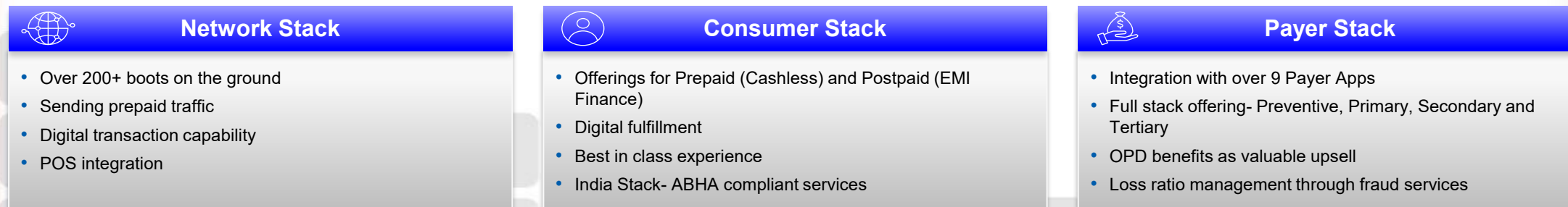


Business Model

Bajaj Finserv Health only player to offer **integrated OPD, IPD and Wellness experience from same platform**. With new capabilities and services to solve for challenges in the healthcare ecosystem

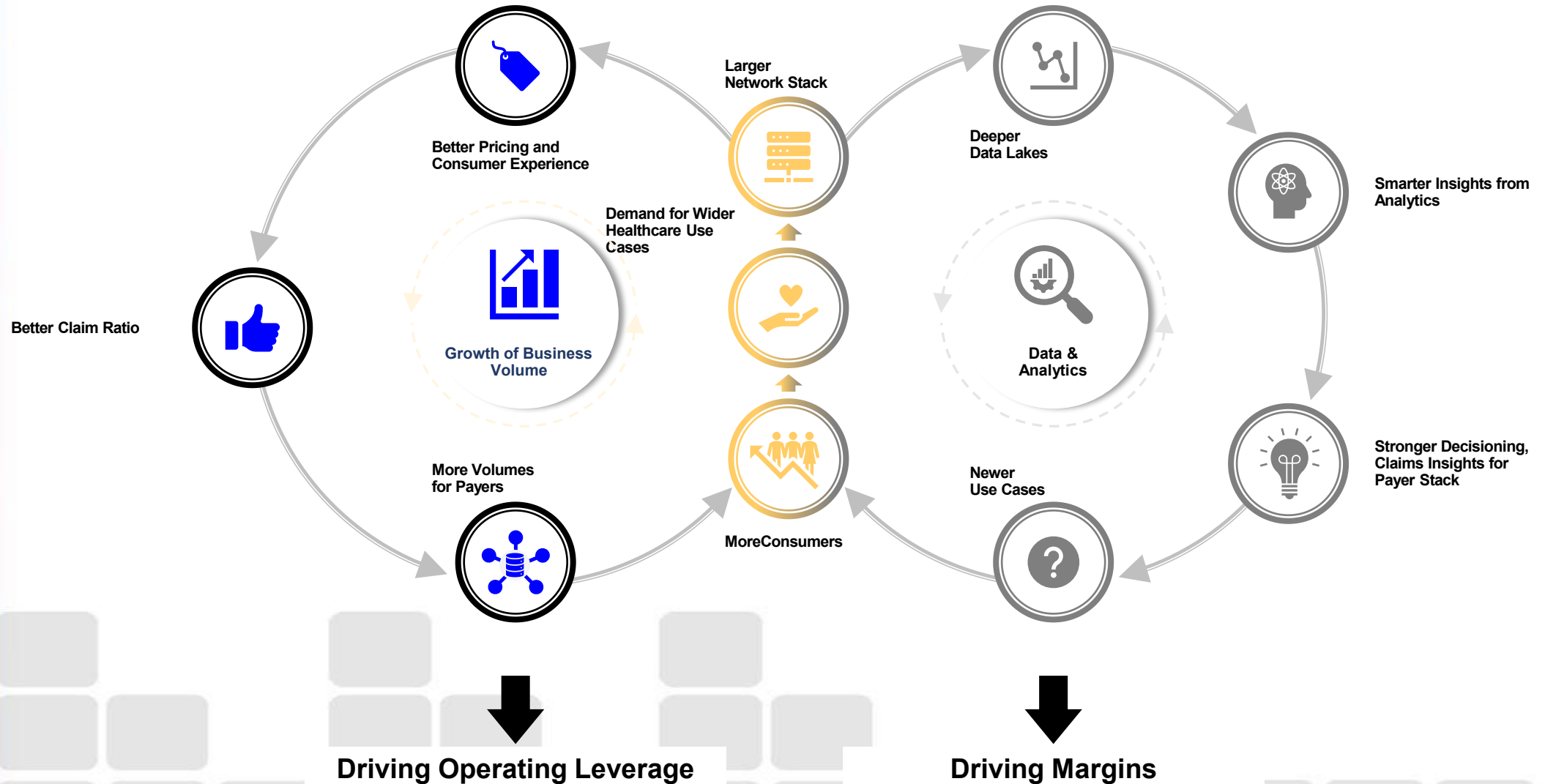


Bajaj Health's Differentiators



Establish Self Reinforcing Flywheels

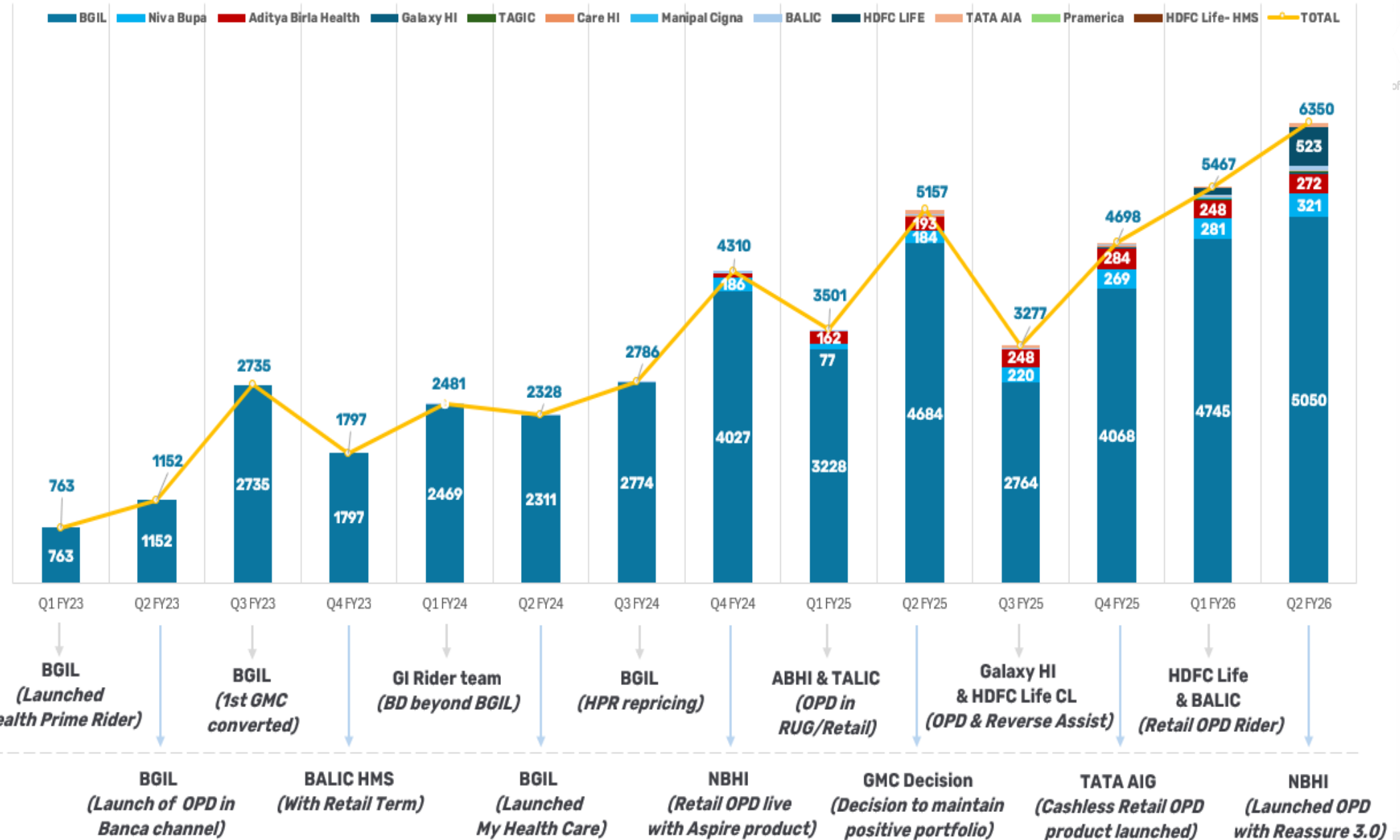
Leverage two distinct flywheels to drive **Operating Leverage and Higher Margin products** to Payers and Providers.



BAJAJ'S HEALTH & WELLNESS STACK



BFHL OPD STORY – REVENUE MOVEMENT



Cashless Network- Service Canvas



With Vidal Health, the company operates from **Preventive to Tertiary Care**, thus providing **continuum of care**. **Focus on achieving service excellence in each Service**, through Network Ownership and Consumer Experience

 Preventive (5 Services) 3,34,677
Preventive Health Check Ups 1,42,581
Diet Management 1,456
Fitness & Gyms 15,911
Step Tracker & Vitals 1,74,316
Smoking Cessation 413

 Primary (6 Services) 9,40,928
GP Services & Doctor Consultation 5,31,315
Lab Diagnostics 2,08,697
Dental Care 9,719
Obstetrics 39,847
Pediatrics 64,805
Pharmacy 86,545

 Secondary (3 Services) 2,91,407
Specialist Consultations 2,09,057
Diagnostic Imaging 80,478
Chronic Care 1,872

 Tertiary (4 Services) 6,30,465
Specialized Surgeries 1,87,914
ICU and Critical Care 1,48,785
Dialysis Services 1,39,651
Advanced Diagnostic Tests 1,54,115



Offered by BFHL



Offered by VIDAL

Case Study – Launch of OPD Rider



Case Study – Launch of OPD Rider

Detail	Product Construct
What	OPD Product sold as a Rider through Retail or Group
When	19th Dec'21

Plan Types	Individual Plan						Floater Plan		
Benefits	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 1	Option 2	Option 3
Tele Consultation Cover	Unlimited (GP)	Unlimited (All Specialities)					Unlimited (All Specialities)		
Labs Cover – Pathology & Radiology Cover	NA	1,500	3,000	5,000	7,000	15,000	10,000	20,000	25,000
Doctor Consultation Cover	NA	NA	1,000	2,000	3,000				
Annual PHC	1 Voucher						2 Voucher		

What Went Well

Market Traction

Rapid adoption, exceeding targets:

- **~7M** policies issued, **~1M** in the 1st year itself
- **8K+** Agents activated

Topline Growth

Significant GWP lift from high rider attachment:

- **410 Cr+** of topline growth for Insurer

Customer Engagement

Strong product activation and utilization:

- **1.8M+** Claims processed, **75%** Signup rate in Retail Segment
- **~27%** unique utilization in the retail segment

Retention Impact

OPD bundle improved IPD retention metrics:

- **11%** Improvement in IPD renewal rates
- **~85%** Renewal Rate for policies where Rider was opted in retail channel

Key Learnings

S No	Top Learnings	Strategic Correction
1	Rider sold as main product instead of an Add on	OPD Rider premium to be NOT exceed 20% of Base Premium
2	High utilization in Combined wallets	Individual Wallets instead of a Combined wallet (Reduced Frequency)
3	17-18% of fraudulent claims – Document Forgery, Inflated Bills, Syndicates, Duplicate Claims etc.	AI based fraud detection engine built
4	Too many rider variants - Selection within Selection	Base Premium linked Product
5	Low cashless utilization	Building Network and Preferred Provider Steerage, Introduction of copayment on reimbursement claims, Improving Cashless Journeys, Service Guarantee

Risk Management Dashboard



Overall Metrics				
NOPs	Revenue [Ex GST]	Ebh Revenue	Current Provision %	Provision Amount
6.10M	3.03bn	2.30bn	90.00%	2.07bn
Gross Exposure	Claims Settled	Claimed Amount	Provision Utilized %	Avg Claim Size
88.63bn	1.46M	1.44bn	69.60%	989.60
Unique Utilization %	Discount %	Cashless by ##	Cashless by \$\$	Avg Claims Per HAN
3.91 %	22.20 %	22.91 %	17.32 %	6.11
Frequency	Projected Utilisation Amount	Projected Provision Utilization %	Loss Ratio Projected %	Current Loss Ratio
23.90 %	2.62bn	126.32%	113.69%	62.64%

[Link to dashboard](#)

Pricing Tool

AI Edge addresses the biggest pain points in Group Health pricing by bringing automation, historical intelligence, real-time analytics, and predictive modelling into one unified underwriting

Current Industry Challenges	AI Edge – Smart Solution Highlights
1. Manual RFQ intake & inconsistent data formats	Automated RFQ Intake: Reads Excel/PDF/Word, standardizes age bands & benefits → cuts 60–70% manual work.
2. Limited visibility into past claims during pricing	3-Year Historical Claims Engine: Shows frequency, severity, IBNR, disease mix, hospital patterns for accurate decision-making.
3. Underwriters price without real-time insights or trend visibility	Smart Risk Management Dashboard: One-click view of risk drivers, anomalies, and trends; reduces “blind pricing”.
4. Difficulty designing plans within a fixed corporate budget	Reverse Pricing Engine: Converts a budget (e.g., ₹1 Cr) into 2–3 optimal benefit options instantly.
5. No quick way to assess impact of benefit changes	Real-Time Impact Calculator: e.g., “Cataract 35k → 50k = X% cost increase” based on 3-year claims — speeds up accurate pricing.

Thank You



Annexure



Fraud & Abuse Management Capabilities

Risk Scoring

Quantifying Risk of Customers on a scale of 0-100

Nexus Identification

Finding interconnecting linkages between Entities

Provider Syndicate

Linking attributes of doctors, providers

Similar Claims

Detecting Duplicate/Similar Claims pre-payout

Sequential Invoices

Flagging claims with irregularity in invoice number and date

Inflation Check

Flagging claims with potential inflation in claim amount in OPD/LAB

Cashless Overlap

Detecting repayment of claims in different LOBs

Spell Check

Highlighting suspicious keywords in documents

Provider Involvement

Establishing provider involvement by provider data checks

Document Forgery

Highlighting claims with manual/digital forgery

Amount Mismatch

Flagging Claims with mismatch in amount mentioned in invoice

Template Matching

Highlighting claims with similar document templates

Loss Ratio Across Segments

2022-2023

Retail

- Revenue-17 Cr
- Loss Ratio-260%

Group

- Revenue-10 Cr
- Loss Ratio-50%

GMC

- Revenue-37 Cr
- Loss Ratio-108%

Overall-64 Cr
Loss Ratio-139%

2023-2024

Retail

- Revenue-27 Cr
- Loss Ratio-173%

Group

- Revenue-28 Cr
- Loss Ratio-48%

GMC

- Revenue-52 Cr
- Loss Ratio-88%

Overall-107 Cr
Loss Ratio-99%

2024-2025

Retail

- Revenue-65 Cr
- Loss Ratio-173%

Group

- Revenue-35 Cr
- Loss Ratio-50%

GMC

- Revenue- 54 Cr
- Loss Ratio-81%

Overall-152 Cr
Loss Ratio-81%

2025-2026

Retail

- Revenue-67 Cr
- Loss Ratio-82%

Group

- Revenue-33 Cr
- Loss Ratio-70%

GMC

- Revenue-48 Cr
- Loss Ratio-79%

Overall-148 Cr*
Estimated -262 Cr
Loss ratio-78%

* Till Oct 25

Sources – Why Health Insurance Required ?

Evidence Area	Key Statistic	Source / Reference
High Out-of-Pocket (OOP) spend	74–75% of India's healthcare spending is OOP	National Health Accounts (NHA) 2023; WHO Global Health Expenditure Database
Medical bankruptcy / poverty	55 million Indians pushed below poverty line annually due to medical bills	PHFI & Lancet Public Health (2022)
Low insurance penetration	~45% population has any form of health cover	IRDAI Annual Report 2022–23; NHA 2023
Coverage split	Govt: 35–38%	IRDAI + NHA 2023
	Employer (GMC): 10–12%	IRDAI Group Health Statistics 2023
	Retail: 5–7%	IRDAI Individual Health Portfolio 2023
Medical inflation	12–14% annual health inflation (among highest in Asia)	Mercer Marsh Benefits – Medical Inflation Report 2023
Rising hospitalisation cost	Avg IPD ACS: ₹82,000 (2023) from ₹42,000 (2014)	IRDAI Health Claim Insights Dashboard 2023
Cardiac share of IPD claims	18–20% of total IPD claim cost	IRDAI Claim Analytics; ICICI Lombard/Star Health Claim Trends
Diabetic share of IPD claims	8–12% of total IPD claim cost	IRDAI Claim Analytics; Insurance Claim Studies 2023

What Went Wrong ?

OPD – Rider to Base Premium Ratio

Frequency Escalation by Premium Band

Rider Prem % wrto Base	0-20%	21-35%	35-50%	51-70%	71-90%	90%+
Frequency	155%	199%	203%	215%	249%	525%
Base Products	IPD (10L + SI)	IPD	IPD	IPD/CI	Benefits-PA, Hospicash, CI	

3.8x increase in frequency from lowest to highest band

→ **Optimal Band: 0-33% rider premium**

Unique Utilization

25-30%

Bands 0-35%

60%+

Band 70%+

65%

0-20% Rider Prem Ratio

✓ **Healthy**

78%

20-33% Rider Prem Ratio

✓ **Controlled**

115%

35-50% Rider Prem Ratio

⚠ **Rising**

150%

50%+ Rider

✗ **Critical**

2.7x deterioration from best to worst band

PRIMARY FINDING

**Higher OPD Share =
Higher Anti-Selection**

OPD Become Primary Benefits,
exponentially increasing claims.

OPD Claims Trend is Highly Dynamic

Segment	GMC (Employer–Employee)	Retail (Individual / Agency)																																																																																											
Key Findings	• Very steep month 11–12 spike (~30–32%) due to use-it-or-lose-it + HR reminders. • Awareness is low in months 1–3 → claims start late → upward slope. • Benefits like AHC, Vision/Lens, Dental pushed to end-cycle intentionally and make 12th Month Claims to 45–50%. • Higher wallet → higher end-cycle burn rate.	• Fresh business shows 20–22% surge in months 11–12, similar trend but milder vs GMC. • Awareness curve very slow: 0–2% in month 1, stabilizes after month 3. • MoM trend: 7–9% mid-year → sharp pickup in month 11–12 (18–20%).																																																																																											
Renewal	• Last-month spike reduces to ~19–21%, flatter than fresh. • Claims start earlier: months 2–3 show meaningful usage (6–9%).	• Year-end spike reduces to ~17% (wrto 22% Fresh). • Users start claiming from early months																																																																																											
MoM Trend	GMC <table><caption>GMC MoM Trend Data (Estimated %)</caption><thead><tr><th>Month</th><th>Fresh</th><th>Renewal</th><th>AHC</th></tr></thead><tbody><tr><td>1</td><td>0%</td><td>3%</td><td>0%</td></tr><tr><td>2</td><td>5%</td><td>10%</td><td>5%</td></tr><tr><td>3</td><td>8%</td><td>8%</td><td>5%</td></tr><tr><td>4</td><td>8%</td><td>8%</td><td>5%</td></tr><tr><td>5</td><td>8%</td><td>8%</td><td>5%</td></tr><tr><td>6</td><td>8%</td><td>8%</td><td>5%</td></tr><tr><td>7</td><td>8%</td><td>8%</td><td>5%</td></tr><tr><td>8</td><td>8%</td><td>8%</td><td>5%</td></tr><tr><td>9</td><td>8%</td><td>8%</td><td>5%</td></tr><tr><td>10</td><td>8%</td><td>8%</td><td>5%</td></tr><tr><td>11</td><td>15%</td><td>10%</td><td>15%</td></tr><tr><td>12</td><td>28%</td><td>20%</td><td>48%</td></tr></tbody></table>	Month	Fresh	Renewal	AHC	1	0%	3%	0%	2	5%	10%	5%	3	8%	8%	5%	4	8%	8%	5%	5	8%	8%	5%	6	8%	8%	5%	7	8%	8%	5%	8	8%	8%	5%	9	8%	8%	5%	10	8%	8%	5%	11	15%	10%	15%	12	28%	20%	48%	Retail <table><caption>Retail MoM Trend Data (Estimated %)</caption><thead><tr><th>Month</th><th>Agency Retail Fresh</th><th>Agency Retail Renewal</th></tr></thead><tbody><tr><td>1</td><td>0%</td><td>4%</td></tr><tr><td>2</td><td>7%</td><td>7%</td></tr><tr><td>3</td><td>7%</td><td>7%</td></tr><tr><td>4</td><td>9%</td><td>8%</td></tr><tr><td>5</td><td>7%</td><td>7%</td></tr><tr><td>6</td><td>8%</td><td>8%</td></tr><tr><td>7</td><td>8%</td><td>8%</td></tr><tr><td>8</td><td>7%</td><td>8%</td></tr><tr><td>9</td><td>9%</td><td>8%</td></tr><tr><td>10</td><td>8%</td><td>8%</td></tr><tr><td>11</td><td>9%</td><td>9%</td></tr><tr><td>12</td><td>18%</td><td>17%</td></tr></tbody></table>	Month	Agency Retail Fresh	Agency Retail Renewal	1	0%	4%	2	7%	7%	3	7%	7%	4	9%	8%	5	7%	7%	6	8%	8%	7	8%	8%	8	7%	8%	9	9%	8%	10	8%	8%	11	9%	9%	12	18%	17%
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We have Different Last Months Reserving factors basis Channel, Fresh/Renewal, Wallet size and share of Non triggered benefits like AHC, Vision(Lens)

What Went Wrong ?

Product Design

What Went Wrong	Ideal Fix
Combined OPD Wallet (Lab + Doctor) • High frequency + full wallet burn. • No ACS control; Lab consumed first.	Split Wallet Architecture • Separate Lab / Doctor / Tele / Wellness wallets. • Enables sub-limits; improves LR by 10–12%.
Reimbursement Allowed for All Benefits • Higher ACS; no cashless discount. • Soft fraud risk (duplicate/non-prescribed bills).	Cashless-First Design • If 50% Claims routed to network (8% savings in Incurred). • Reimbursement should capped for selective benefits.
Non-prescribed Tests + Diet/Physio Included • Avoidable utilisation; inflated frequency.	Clinical Necessity + FUP • Only prescribed tests. • Fair Usage Policy (4–6 uses/month).
No Caps/Sub-Limits for High-Abuse Categories • Dental - No Procedure wise FUP Limit (ACS ↑20%)	Dental FUP • Procedure wise Capping as per Locations should be there

What Went Wrong ?

Sourcing

What Went Wrong	Ideal Fix
Channel Awareness Differences Ignored • Digital > Agency > Banca in OPD awareness + utilisation. • One-price approach → LR imbalance.	Channel-Based Pricing • Differential pricing for Digital/Agency/Banca. • Linking rich variants with IPD Sum Insured in Digital/agency.
OPD Riders Sold on Low-Ticket Base Plans • No OPD-to-base ratio; OPD attached to ₹300–₹500 CI/PA. • OPD became main product → severe anti-selection.	Minimum Base Premium + Eligibility • Base ≥ ₹2,000–₹3,000. • OPD allowed only with IPD/strong base.
OPD Marketed as a Main Product • High expectations → high utilisation.	Correct Positioning • OPD should be “rider support,” not core cover.
9 OPD Variants = Selection within Selection • Richest OPD variant chosen with smallest base plan.	Variant Rationalisation • Variant tied to base premium size.

What Went Wrong ?

Claims Guardrails

What Went Wrong	Ideal Fix
No Caps/Sub-Limits/Co-pay • ACS ↑ by 15–20%.	Structured Guardrails • Reimbursement Caps + 20% co-pay → LR ↓ 6–9%.
Unlimited Teleconsultation → Abuse • Outlier users with 150–200 calls/year.	Fair Usage Policy • Limit 6-8 tele consults/month.
Less Verification Checks → Abuse in Claims (3–5%) • Claims submitted on behalf of family members • Absence of Payment Proof for High Claims	Smart Adjudication using Tech • Geotagging/Face Match + doctor pattern detection+ Payment Proof
Higher Repeat Claims & Provider Shopping • Multiple small-value claims at different clinics. • Users “shopping” to exhaust wallet in coordination with Provider.	Smart Abuse Detection Engine • 18-20% Claims in OPD are Suspicious. • Enhancing Fraud and abuse detection capabilities with AI Powered Smart Detection

What Went Wrong ?

Pricing

What Went Wrong	Ideal Fix
Behavioural Curves Not Priced-In • Month 11–12 = 25–35% claims. • IVNR underestimated by 8–12%.	Behavioural Pricing • MoM curves for Fresh vs Renewal & GMC vs Retail.
Underestimated Frequency for Lab + Doctor • Actual frequency 2–3× assumption in rich variants.	Category-Level Modelling • Separate Lab/Doctor/Tele frequency & ACS.
No OPD Inflation Load • Lab inflation 8–10%; consult inflation 5–8%.	OPD-Specific Inflation • 6–10% annual inflation for renewals.
Fraud & High-Utiliser Clusters Not Loaded • Top 5% users = 30–35% claims; fraud 3–5%.	Anti-Fraud Load + High-Utiliser Controls • Add 4-5% load + cluster management.
No Geo/Channel Segmentation • Digital freq > Agency by 25–40%; North freq 150–250% higher than South.	Geo-Channel Pricing • Segment by Digital/Agency/Banca + zones.

Our Pricing Approach



OPD vs IPD: Critical Distinctions

Metric	OPD	IPD
Frequency	3-4 claims/member/year eg – Group EB- Uniq Emp Freq- 20-100%	1 Claims in 2-4 Yearseg – Group EB- Uniq Emp Freq- 6-10%
Severity	₹ 800-2000	40k – 1.50 lac
Claims Trigger	Trigger by Hospitalisation need	Combination of Triggered and Non Triggered Event
IBNR	Short cycle 7-15 days	Longer run-off 60-120 days, triangle-based IBNR reserving
Behavioural Impact	Very High	Less
Awareness Factor	High	Moderate
Cashless %	10-20%	60-80%
Anti Selection Risk	Very High (In Retail /Voluntary with Benefits like Pharma, Vision , Dental)	Moderate (Triggering require medical necessity)
Fraud and Abuse	High (20-25%)	Moderate (3-5%)

The high-frequency, low-severity nature of OPD creates unique actuarial challenges. Anti-selection risk demands sophisticated underwriting models and strategic benefit design to maintain portfolio sustainability.

Illustration of OPD Pricing for GMC (Employer –Employee)



Name	XYZ
Employee Base	1500
Family Type	Employee + Spouse + 2 Children
Average Emp Age	28 years
Location	Mumbai
Participation	Compulsory
OPD Policy Type	Fresh

Benefits	Wallet	Mode of Utilisation
Doctor Consultation	10000	Cashless+RI
Prescribed Diagnostics	10000	Cashless + RI
Annual Health Check-up	5000	Cashless
Tele	Unlimited	Cashless

Illustration of OPD Pricing for GMC (Employer –Employee)



Benefits	Wallet	Unique Usage	#Claims	Severity	Risk Premium	% Share
Doctor Consultation	10000	65%	4	700	1820	34%
Prescribed Diagnostics	10000	38%	2	2500	1900	36%
AHC	5000	35%	1	4000	1400	26%
Tele	Unlimited	6%	9	400	216	4%
Risk Cost					5336	100%

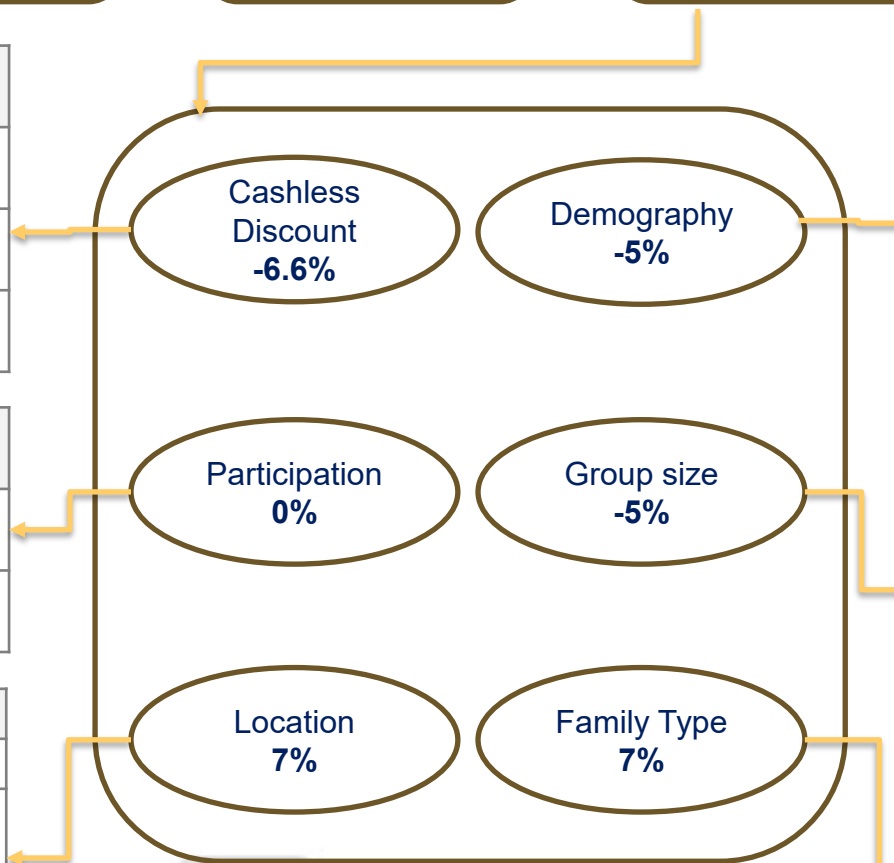
Illustration of OPD Pricing for GMC (Employer –Employee)



Cashless Component	Loading%
AHC Share	26%
Avg. Cashless Discount	-25%%
Net cashless Discount	-6.6%

Participation Type	Loading%
Compulsory	0%
Voluntary @ 20%	30%

Location	Loading%
Delhi/Mumbai	7%
Pune/Bangalore/Chennai/Hyderabad	0%
Kolkata/Ahmedabad	-2%
Tier 1	-4%
Tier 2	-6%



Emp Avg. Age Band	Loading%
18-25	-9%
26-30	-5%
31-35	0%
36-40	5%
41-50	8%
50+	12%

Emp Size	Loadings
100-300	10%
301-500	6%
501-1000	0%
1001-2500	-5%
>2500	-8%

Family Type	Loadings
E	-15%
ESC	0%
ESCP	18%

Adjusted Risk Cost: ₹ 5,734
Opex (10%) + Profit (5%): ₹ 6,746
Brokerage + Insurance (10%): ₹ 7,495

Renewal Case Pricing: Experience-Driven Approach



Renewal pricing leverages actual claims experience, applying credibility weighting and forward-looking adjustments. This blended Methodology balances historical performance with emerging trends and benefit changes.

Past Claim Experience Analysis

Review frequency per 1,000 lives, average claim size, total loss ratio (paid + outstanding), and identify MoM patterns.

Experience Adjustments

Apply IBNR reserves (5-10%), awareness uplift (3-12% YOY), medical inflation (8-14%), and adjust for benefit modifications.

Credibility Assessment

Evaluate data quality, claims process maturity, group stability, and size to determine experience credibility weighting.

Renewal Rate Calculation

Blend credibility-weighted experience with base model, then apply inflation and benefit adjustments for final premium.

High Credibility Indicators

- ≥12 months of clean claims data
- Cashless OPD claims process
- Stable group with 2-3 year history

Low Credibility Factors

- Reimbursement-based claims model
- Limited data (6-8 months only)
- Small groups or high member churn

Renewal Pricing Formula

$$\text{Renewal Rate} = [(\text{Loss Ratio} \times \text{Credibility}) + (\text{Base Model} \times (1 - \text{Credibility}))] \times (1 + \text{Inflation}) \times (1 + \text{IBNR}) \pm \text{Benefit Adjustments}$$

Strategic Takeaway:

Renewal pricing is **experience-driven and credibility-weighted**. The quality and maturity of claims data directly impact pricing accuracy and competitive positioning.

Benefit Wise Severity

Benefit	Cashless	Reimbursement	% Drop
PRESCRIBED DIAGNOSTICS	943	2,268	58%
DOCTOR CONSULT	495	651	24%
PREVENTIVE DIAGNOSTICS	880	2,001	56%
PRESCRIBED PHARMACY	701	970	28%
DENTAL	2,296	4,298	47%
VACCINATION	2,010	2,945	32%
Total	644	1,097	41%

Dashboard Screenshots



Risk Monitoring Dashboard

Product
All

Banca / Non Banca / Embedded
All

Active / Expired
Multiple selections

Base Product

☐ Select all
☐ (Blank)
☐ CREDXX XXXXXX XXXXXX XXXX XXX...
☐ CRITX XXXX
☐ EXTRX XXXX
☐ EXTRX XXXX XXXX
☐ FAMIXX XXXXXX XXXX X XXXXX X X...
☐ CI EVV VVVVVVV VVVV V VVVVVVVVV

HPR To Base Ratio
PENETRATION %
0 % 99 %

Intermediary
All

Single / Multi Year
All

Base Policy Premium
Actual Base Premium
0.00 1,00,229.39

Vintage Chart

Year	0	1	2	3	4	5	6	7	8	9	10
2022											
August	0.07%	10.11%	23.19%	37.84%	50.29%	63.70%	76.98%	90.66%	103.01%	114.17%	
September	0.05%	8.04%	21.08%	31.46%	42.84%	55.41%	68.37%	79.21%	90.20%	100.76%	
October	0.06%	8.61%	19.15%	31.62%	44.37%	56.46%	67.39%	77.84%	87.40%	99.70%	
November	0.14%	9.86%	20.41%	31.25%	42.65%	51.66%	59.94%	68.53%	78.45%	89.36%	
December	0.03%	9.42%	19.78%	29.67%	38.66%	47.11%	56.45%	66.04%	77.20%	88.15%	
2023											
January	0.55%	11.90%	23.32%	33.99%	43.42%	53.24%	64.65%	76.08%	86.96%	97.56%	
February	1.53%	12.30%	23.42%	33.06%	43.60%	53.94%	65.41%	76.08%	86.55%	96.50%	
March	1.66%	10.70%	20.54%	31.43%	42.19%	53.30%	65.10%	74.27%	83.74%	94.26%	
April	1.53%	9.99%	20.05%	31.57%	42.12%	52.67%	61.09%	70.33%	80.78%	92.11%	
May	1.47%	9.75%	20.40%	31.80%	43.54%	53.95%	62.94%	72.52%	82.05%	95.00%	
June	1.90%	11.01%	21.20%	31.44%	40.61%	49.51%	58.61%	67.78%	77.51%	86.43%	

Year	Projected Utilisation %	NOPs
2022	188.02%	317652
August	239.62%	57673
September	188.75%	64613
October	188.52%	70315
November	158.98%	53357
December	154.74%	71694
2023	145.16%	1280303
January	172.08%	42424
February	170.42%	57700
March	169.24%	89228
April	164.76%	61345
May	163.35%	41772
Total	126.32%	6100377

Overall Metrics

NOPs	Revenue [Ex GST]	Ebh Revenue	Current Provision %	Provision Amount
6.10M	3.03bn	2.30bn	90.00%	2.07bn
Gross Exposure	Claims Settled	Claimed Amount	Provision Utilized %	Avg Claim Size
88.63bn	1.46M	1.44bn	69.60%	989.60
Unique Utilization %	Discount %	Cashless by ##	Cashless by \$\$	Avg Claims Per HAN
3.91 %	22.20 %	22.91 %	17.32 %	6.11
Frequency	Projected Utilisation Amount	Projected Provision Utilization %	Loss Ratio Projected %	Current Loss Ratio
23.90 %	2.62bn	126.32%	113.69%	62.64%

Claims Metrics

CLAIMS GRID							Monthly Claims - Benefit wise			
Benefit Group	Claims Settled	Claim Amount	%CT Claim Amount	Frequency	Combined Severity	CL Severity	RI %	Benefit Group		
Prescribed Labs	2,95,249	61,00,72,407.81	42.28%	1.29 %	2,066.30	1,114.12		● Doctor Consult... ● Other Benefits ● PHC ● Prescribed L... ● Teleconsult...		
Doctor Consultation	8,35,930	56,06,89,545.18	38.86%	3.67 %	670.70	497.78				
PHC	1,64,316	12,12,15,982.50	8.40%	0.72 %	737.70	752.68				
Other Benefits	76,863	11,40,54,173.30	7.90%	0.34 %	1,483.90	1,284.76				
Teleconsultation	85,752	3,68,70,486.00	2.56%	0.38 %	430.00	429.97				
Total	14,58,110	1,44,29,02,594.79	100.00%	6.39 %	989.60	748.36				

Claims Settled

CreatedDate Month

Segment Wise Metrics

Base Product Wise Summary										
Base Product Name	NOPs	Collected Premium	Projected %	Avg Base Premium	Avg Rider Premium	Claims Settled	Product Frequency	Severity	Unique Util %	Avg Claim
MY HXXXXXXXXX XXXX	3,05,278	71,46,03,242	99.18%	25,721.62	2,215.22	2,76,143	90.46 %	956.10	15.47 %	
FAMIXX XXXXXXX XXXX X XXXXX X XXX XXXXXXXXXXXXXXXXXXXX	2,28,800	18,01,10,599	131.89%	3,141.01	1,182.28	1,72,028	75.19 %	825.10	15.03 %	
MEDIXXXXXXXXXXXXXXXXXXXX XXXX XXXXXXXXXXXX	81,151	7,49,58,332	299.47%	1,854.26	1,314.94	1,47,436	181.68 %	897.90	24.99 %	
STAR XXXXXXX XXXXXXX	48,118	7,26,99,737	243.48%	13,355.36	2,158.70	1,40,114	291.19 %	1,011.00	37.83 %	
Total	61,00,377	2,30,36,05,317	126.32%	2,892.09	496.68	14,58,110	23.90 %	989.60	3.91 %	

Location Wise Summary						IMD Wise Summary				
Location_Zone_Mapper	NOPs	Collected Premium	Projected %	Claims Settled	Claim Amount	IMDs	NOPs	Collected Premium	Projected %	Claims Settled
West	1910429	97,33,57,210	103.10%	4,86,027	45,82,71,6	HDFX XXXX	1399481	36,93,54,667	60.11%	94,010
North	676094	44,77,71,691	201.94%	4,79,964	48,51,16,9	CANXXX XXXX	1883282	30,47,97,749	92.88%	1,84,918
South	2168617	42,27,06,377	43.08%	91,250	8,51,97,6		107214	24,95,63,768	113.15%	1,90,974
East	491596	30,32,10,285	167.98%	2,45,837	28,34,48,6	PNB XXXXXXX XXXXXXX	19596	8,87,85,410	12.26%	2,021
HO	853401	15,65,52,225	140.33%	1,54,505	13,06,41,8	XXX				
Total	6100137	2,30,35,97,788	126.30%	14,57,583	1,44,26,76,71	CAN XXX XXXXX XXXXXXX	25341	7,90,32,620	12.88%	2,131

BAJXX XXXXXXX XXXXXXX	81903	5,66,93,518	222.31%	79,731	97.35 %
XXXXXXXXXXXXXXXXXXXX	60145	4,70,30,000	244.10%	76,410	95.00 %
Total	6100137	2,30,35,97,788	126.30%	14,57,583	23.89 %

Rider to Base Policy							Indemnity vs Benefit					
Base to Rider Ratio	NOPs	Collected Premium	Claims Settled	Projected %	Frequency	Claim	Indemnity/ Benefit	NOPs	Avg Premium	Collected Premium	Claims Settled	Projected %
b. [0%-20%]	1259076	1,09,68,56,166	6,85,487	119.51%	54.44 %	68,	Benefit	5034665	295.72	81,29,01,085	1,99,917	66.08%
c. [20%-33%]	343174	16,65,35,205	1,32,013	123.74%	38.47 %	12,	Indemnity	1065712	15,160.63	1,49,07,04,232	12,58,193	151.19%
d. [33%-45%]	265842	5,35,08,862	41,852	117.74%	15.74 %	4,	Total	6100377	2,892.09	2,30,36,05,317	14,58,110	126.32%
e. [45%-70%]	238939	6,93,61,672	73,931	184.73%	30.94 %	7,						
f. [70%-90%]	132639	5,28,89,569	54,631	153.49%	41.19 %	5,						
Total	2239670	1,43,91,51,474	9,87,914	125.46%	44.11 %	99,0						

Illustration- Rising IPD Burden from Diabetes & Cardiac Conditions

Rising Disease Burden in India (2024)

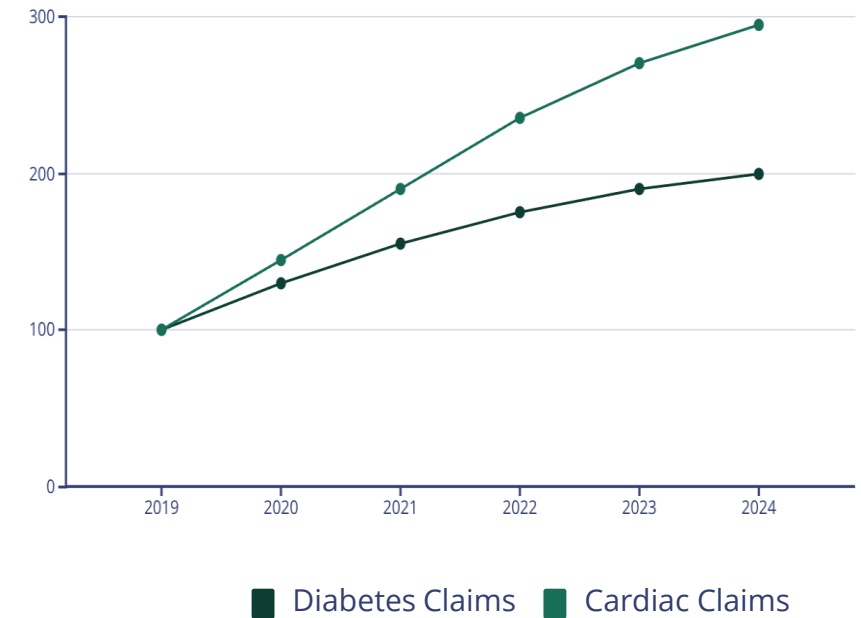
- India faces a critical health crisis with approximately **90 million diabetics**—representing 10-11% of the adult population, among the world's highest prevalence rates.
- Cardiovascular disease affects ~11% of the population and accounts for **27% of all Indian deaths**.

IPD Claims Trending Upward (Last 3-5 Years)

- Cardiac claim cost inflation has surged **2.5-3x since 2019 (From 8% to 18%-20% Share in IPD Claims)**
- Diabetes IPD claims rising **10-12% year-over-year** due to complications and comorbidities
- Average cardiac claim: **₹12-15 lakh** (up from ₹4-5 lakh in 2019)
- Combined, Diabetes + Cardiac represent **~30% of total IPD costs** in corporate and retail portfolios

Alarming Shift in Morbidity Patterns

Higher incidence among the <45 age group, increased repeat admissions, and growing chronic care burden signal a fundamental change in healthcare demands.



Claim Inflation Index (2019-24): Diabetes claims have doubled while cardiac claims have nearly tripled, significantly outpacing general medical inflation.

Early Detection & Chronic OPD Care Can Reduce Total IPD Cost Significantly

Evidence-Based Avoidable Shares

Diabetes: 15-20% of hospitalizations preventable through glycaemic control, HbA1c monitoring, early infection detection, and foot care protocols.

Cardiac (CHF/ACS): 20-30% preventable via BP/lipid control, ECG screening, medication adherence support, and early congestion detection.



Regular Monitoring

Track key health metrics like blood sugar and blood pressure



Early Screening

Utilize preventative tests for timely disease detection.



Medication Adherence

Consistent use of prescribed medications for chronic conditions.



Diet and Habit Management

Maintain healthy habits and record lifestyle data.

Expected IPD Cost Reduction: ~8-10%

ACS-Wise Preventability Insights

Moderate-Cost Cases (<₹2L)

20-30% preventable through proactive chronic disease management

High-Cost Catastrophic (>₹5L)

10-12% preventable or down-staged to lower severity

Portfolio Mix Analysis

- Diabetes represents **10% of total IPD cost**
- Cardiac conditions account for **20% of total IPD cost**

IPD Savings Calculation

Using conservative midpoints (Diabetes avoidable = 18%, Cardiac avoidable = 25%):

$$\text{Avoidable IPD} = (0.10 \times 0.18) + (0.20 \times 0.25) = 0.018 + 0.050 = \mathbf{8.6\%}$$

Sources & References Used

Prevalence & Mortality Data

- **89.8 million diabetics in India** (IDF Diabetes Atlas 2024)
- **CVD prevalence ~11%**, responsible for 27% of all deaths (WHO India NCD Profile)

Claim Trends & Inflation Evidence

- **Cardiac claim inflation 2.5-3x in 5 years** (IRDAI + private insurer trend reports)
- **Diabetes IPD inflation 10-12% YoY** (Indian health insurer studies; NCD cost trend reports)
- **Average cardiac claim ₹12-15 lakh**, with CABG/valve replacement costs rising consistently (industry hospital pricing reports)

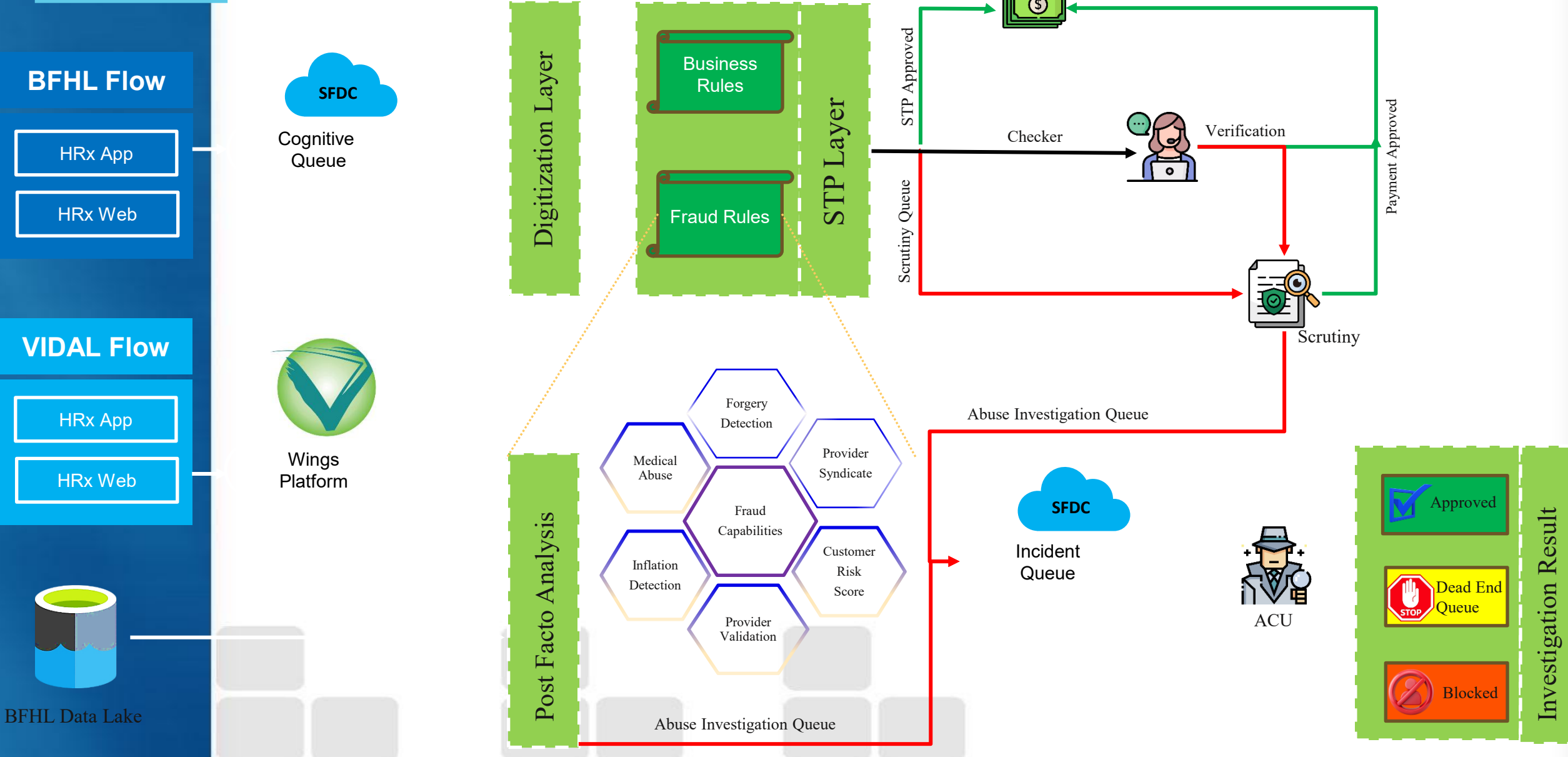
Preventable Admissions Research (Used in 8-9% Savings Calculation)

- **Diabetes preventable hospitalizations: 15-20%** -Global PPH/ACSC studies; US Medicare data; European diabetes prevention studies)
- **Cardiac/CHF preventable admissions: 20-30%** (ACSC literature; CHF decompensation prevention studies; US Hospital Readmissions Reduction Program evidence)

Global Research Data

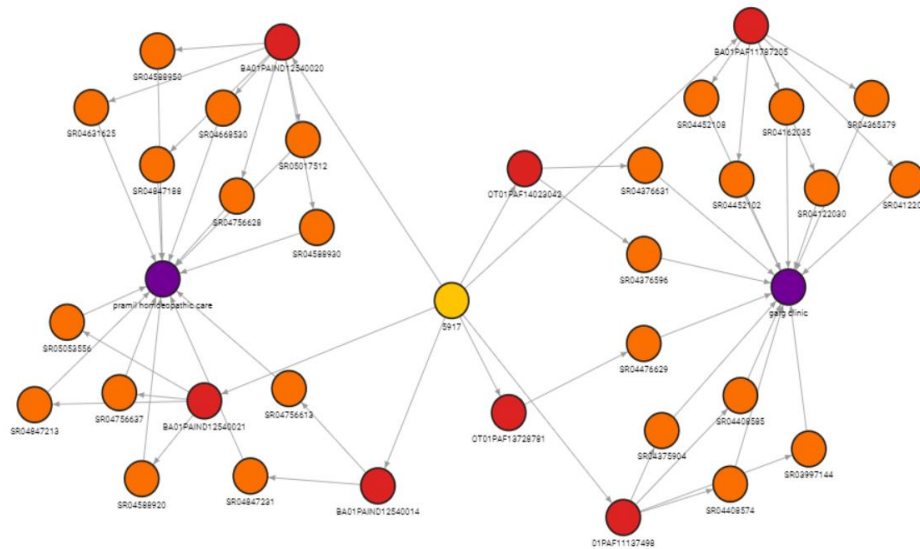
Insights from PPH/ACSC studies, US Medicare, and European prevention studies.

FWA ARCHITECTURE



Current BFHL and VIDAL Architecture is same however some of the Models used inside the above-mentioned blocks will differ in some cases. These will be unified over a period of next 2-3 months.

NEXUS ANALYSIS ILLUSTRATION

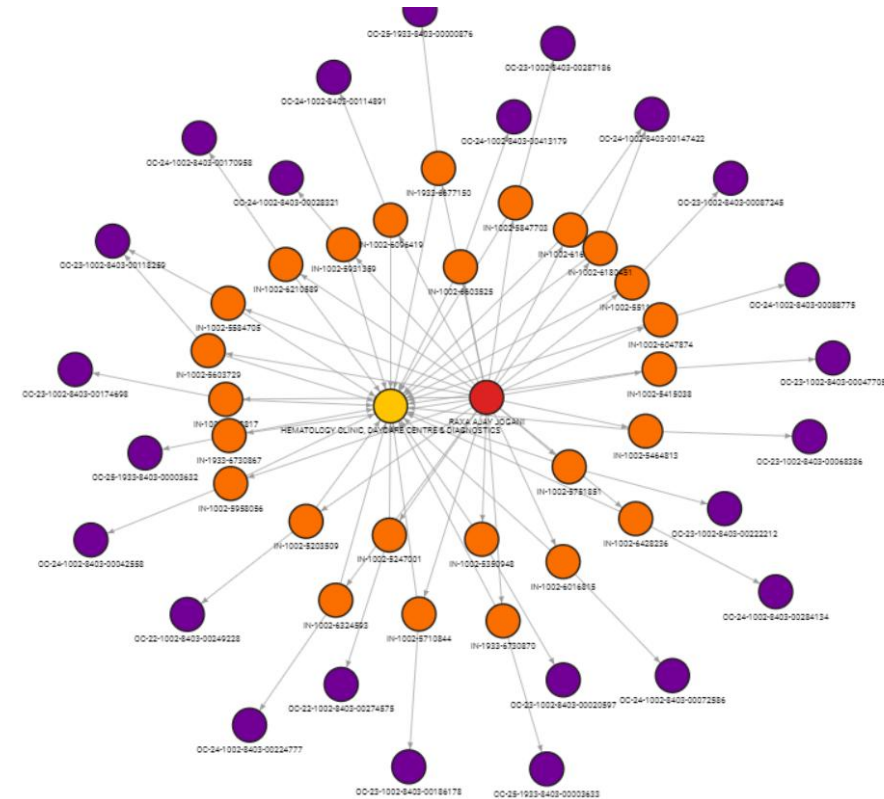


- All the policies sourced by the IMD are visiting same set of providers multiple times
 - Utilization : 51 claims worth 45,000 INR
- SHARED
Policy : 7
Mobile No: 3

SHARED

Policy : 7

Mobile No: 3



- Single Customer is visiting a specific provider multiple times
- Utilization : 24

SHARED

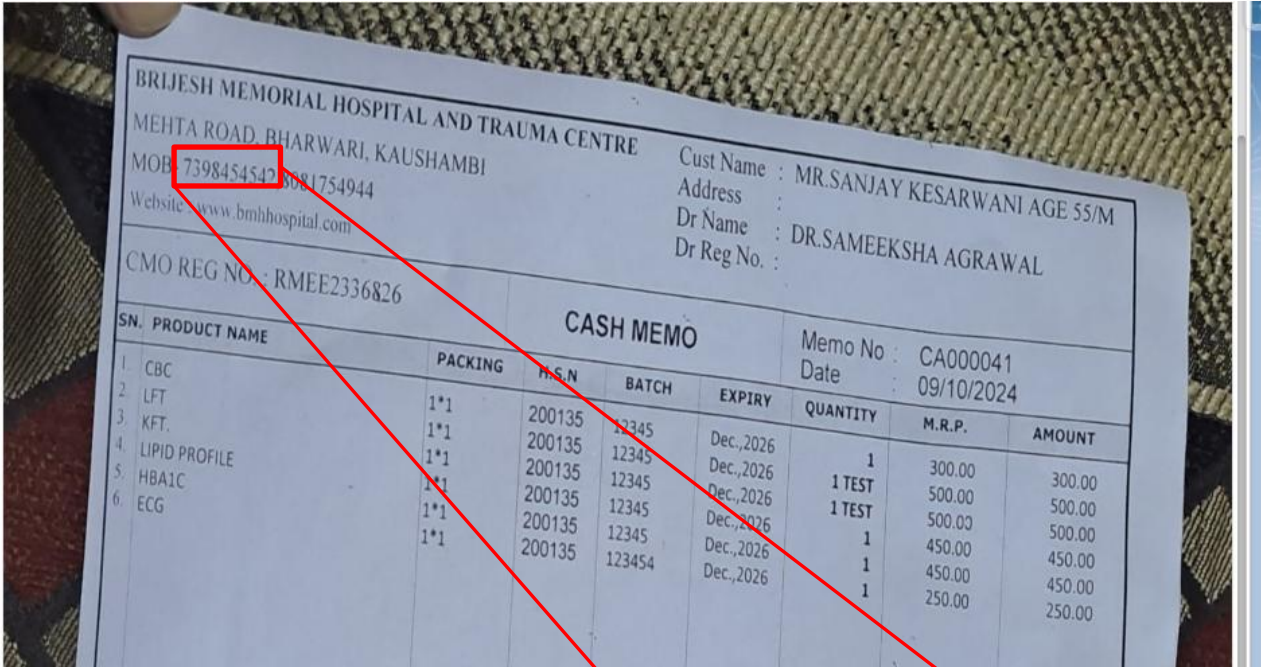
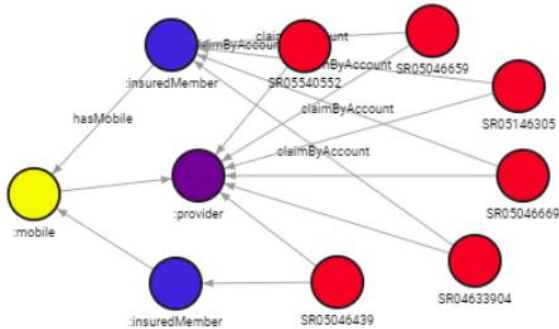
Policy : 1

Mobile No: 2

Network Analysis allows us to expose large-scale fraud and pre-emptively identify fraudulent customers

NEXUS ANALYSIS ILLUSTRATION

The Customer appears to visit its own clinic as the mobile no in the policy matches with the provider number in the invoice



MOB- 7398454542,80
Website : www.brijesh



Case
SR05540552

Status
Paid

Customer Name
Sanjay Kumar

Customer Mobile Number
7398454542

Risk Score Claims
63.96

Network Analysis allows us to expose large-scale fraud and pre-emptively identify fraudulent customers

SEQUENTIAL INVOICE DETECTION

The process of Sequential Invoice Detection involves analyzing invoices associated with each provider to identify instances of rolling invoices even with mismatch of consultation dates

Homoeopathic Clinic
Shop No.7, Oxford Blue, Sr. No. 63/37,
Warwick, Pune - 40.
M. - 9850114446
E-mail - dr.emmanuelrathod@gmail.com
Timings : 10.00 am to 2.00 pm &
5.00 pm to 10.00 pm (Thursday Morning Closed)

Dr. Emmanuel Andrew Rathod
M.D. (Hom)
Homoeopathic Physician
Reg. No. - 47384

102 - RECEIPT -
Date : 30/4/24

Case No. _____
Received with thanks from Arcechitta Shinde
the sum of Rs. One Thousand only by Cash/Cheque
for treatment given from 1/4/24 to 30/4/24
Cheque No. _____ dated _____
Rs. 1000/-
Cheques subject to realisation
DR. EMMANUEL RATHOD
MD. (HOM)
47384

Homoeopathic Clinic
Shop No.7, Oxford Blue, Sr. No. 63/37,
Warwick, Pune - 40.
M. - 9850114446
E-mail - dr.emmanuelrathod@gmail.com
Timings : 10.00 am to 2.00 pm &
5.00 pm to 10.00 pm (Thursday Morning Closed)

Dr. Emmanuel Andrew Rathod
M.D. (Hom)
Homoeopathic Physician
Reg. No. - 47384

103 - RECEIPT -
Date : 31/5/24

Case No. _____
Received with thanks from Prashant Shinde
the sum of Rs. One Thousand only by Cash/Cheque
for treatment given from 1/5/24 to 31/5/24
Cheque No. _____ dated _____
Rs. 1000/-
Cheques subject to realisation
DR. EMMANUEL RATHOD
MD. (HOM)
47384

Homoeopathic Clinic
Shop No.7, Oxford Blue, Sr. No. 63/37,
Warwick, Pune - 40.
M. - 9850114446
E-mail - dr.emmanuelrathod@gmail.com
Timings : 10.00 am to 2.00 pm &
5.00 pm to 10.00 pm (Thursday Morning Closed)

Dr. Emmanuel Andrew Rathod
M.D. (Hom)
Homoeopathic Physician
Reg. No. - 47384

104 - RECEIPT -
Date : 30/6/24

Case No. _____
Received with thanks from Prashant Shinde
the sum of Rs. One Thousand only by Cash/Cheque
for treatment given from 1/6/24 to 30/6/24
Cheque No. _____ dated _____
Rs. 1000/-
Cheques subject to realisation
DR. EMMANUEL RATHOD
MD. (HOM)
47384

Homoeopathic Clinic
Shop No.7, Oxford Blue, Sr. No. 63/37,
Warwick, Pune - 40.
M. - 9850114446
E-mail - dr.emmanuelrathod@gmail.com
Timings : 10.00 am to 2.00 pm &
5.00 pm to 10.00 pm (Thursday Morning Closed)

Dr. Emmanuel Andrew Rathod
M.D. (Hom)
Homoeopathic Physician
Reg. No. - 47384

105 - RECEIPT -
Date : 31/5/24

Case No. _____
Received with thanks from Arcechitta Shinde
the sum of Rs. One Thousand only by Cash/Cheque
for treatment given from 1/5/24 to 31/5/24
Cheque No. _____ dated _____
Rs. 1000/-
Cheques subject to realisation
DR. EMMANUEL RATHOD
MD. (HOM)
47384

Invoice Diff : 1
Date Diff :
31 Days

Invoice Diff : 1
Date Diff :
30 Days

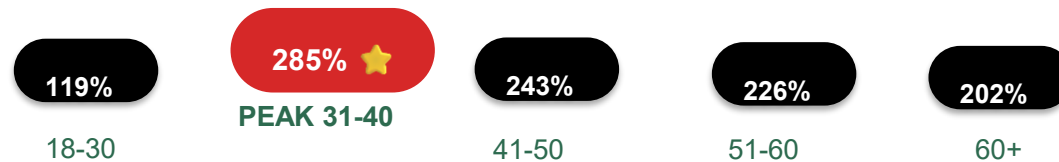
Invoice Diff : 1
Date Diff : -
31 Days

Customers have claimed 60+ invoices

OPD Age Mix & Frequency Pattern

Awareness-Driven Not Completely Age-Driven Frequency

Frequency % by Age Group



Counter-Intuitive: Peak at 31-40 (2.4x higher than 18-30), then declines with age

✓ Finding 1: Awareness Peak

31-40 age band has 126% higher than 51-60 (Pure Awareness factor)

✓ Finding 2: Age Paradox

Frequency DECLINES 29% from 31-40 to 60+ despite increasing medical needs

18-30	905
31-40	848
41-50	997
51-60	1,144
60+	1,230

KEY INSIGHT

Awareness ≠ Age

OPD frequency peaks at 31-40 due to health awareness & discretionary spending, not medical age. Older populations visit less frequently but with higher severity claims.

✓ Finding 3: Severity Trade-off

Older groups visit less (202% vs 285%) but claims are 45% higher (₹1,230 vs ₹848)