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Legal And Policy Framework Of Health Insurance In India: Challenges And The Way Forward

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ABSTRACT

India's health insurance sector has undergone a transformative journey, influenced by rising medical costs, expanding health consciousness, and progressive government interventions. Schemes like Ayushman Bharat–Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) have significantly enhanced healthcare access for underprivileged groups, while the private sector caters to middle- and high-income populations with diverse products. However, the sector continues to face major hurdles. These include inadequate coverage of informal and marginalized groups, high out-of-pocket healthcare expenses, lack of integration between public and private schemes, weak grievance redressal mechanisms, and regulatory gaps. The legal framework, centered on the Insurance Act, 1938, and the IRDA Act, 1999, vests regulatory authority with the Insurance Regulatory and Development Authority of India (IRDAI), which plays a pivotal role in overseeing policyholder protection and market regulation. Furthermore, constitutional provisions especially Articles 21 and 47 have been interpreted by Indian courts to establish health as a fundamental right.

This paper argues for the adoption of a national health insurance legislation, improved oversight of private insurers, increased digital penetration, and public health literacy to build a transparent, equitable, and rights-based system that ensures Universal Health Coverage for all citizens.

Keywords: Health Insurance, India, Legal Framework, IRDAI, Public Health Policy, Universal Health Coverage (UHC), Ayushman Bharat, Right to Health

I. INTRODUCTION

Health insurance has emerged as an indispensable pillar of the healthcare system in India, playing a dual role in shielding individuals from catastrophic medical expenditures and ensuring access to timely and quality health services. In a country where more than 60% of healthcare costs are borne out-of-pocket, a comprehensive and accessible health insurance framework is vital for reducing the financial burden on households.[1] Over the years, the Indian health insurance sector has evolved significantly, with interventions from both public and private players. Government-sponsored schemes such as the Rashtriya Swasthya Bima Yojana and the Ayushman Bharat–Pradhan Mantri Jan Arogya Yojana have targeted economically weaker sections, offering coverage for secondary and tertiary care hospitalization. On the other hand, the private sector has introduced customized plans catering to urban and higher-income populations.[2]

Despite progress, major challenges continue to affect the health insurance sector in India. A large section of the population remains either uninsured or underinsured due to low awareness, affordability constraints, and policy design limitations. Although the legal framework rests on the Insurance Act, 1938, and the IRDA Act, 1999, regulatory shortcomings persist such as lack of standardization, weak enforcement, limited claim transparency, and ineffective grievance redressal. This study seeks to critically assess the current legal and institutional framework, highlight key implementation hurdles, and propose actionable reforms to develop a more inclusive, accountable, and efficient health insurance system.[3]

II. MEANING & CONCEPT OF HEALTH INSURANCE

Health insurance offers financial protection against medical expenses due to illness or hospitalization.[4] It ensures access to healthcare either through reimbursement of costs or cashless treatment at network hospitals. This coverage helps individuals and families manage high medical expenses without financial hardship.[5]

DEFINITION

According to the Insurance Regulatory and Development Authority of India Act, 1999 and the Health Insurance Regulations, 2016:"Health Insurance Business means the effecting of contracts which provide for

[1] S. R. Rao, "Health Insurance in India: Opportunities, Challenges and Concerns", 6(2*) Indian Journal of Health Economics* 45(2020).
[2] R. Nagaraj, "Out-of-Pocket Health Expenditures and Health Insurance Coverage in India",55 *Economic and Political Weekly,* 26 (2020)
[3] P. Srivastava, Challenges in Health Insurance Regulation in India, 7(1) *Journal of Health Policy and Management* 48(2023).
[4] Ministry of Health and Family Welfare, Understanding Health Insurance in India, Government of India Publication, New Delhi, 2021.
[5] IRDAI, Health Insurance Framework and Guidelines, Insurance Regulatory and Development Authority of India, Hyderabad, 2022.

sickness benefits or medical, surgical or hospital expense benefits, whether inpatient or outpatient, and includes personal accident cover that provides lump sum or periodic payments in the event of death or disability."[6]

III. KEY ELEMENTS OF HEALTH INSURANCE

1. Hospitalization Coverage

Health insurance primarily offers hospitalization coverage, which means it covers the medical expenses incurred during the period of hospitalization due to illness, surgery, or accident. It includes room charges, doctor's fees, medicines, nursing expenses, and diagnostic tests. This is the core component of almost all health insurance policies.[7]

2. Day-Care Procedures

Another important feature is coverage for day-care procedures, which are treatments that do not require 24-hour hospitalization due to advancements in medical technology. Examples include cataract surgery, chemotherapy, and dialysis. These procedures are fully covered under most standard health insurance plans.[8]

3. **Pre- and Post-Hospitalization Expenses**

Health insurance policies typically cover pre-hospitalization expenses for up to 30 days and post-hospitalization expenses for 60 to 90 days. This includes consultations, diagnostic tests, and follow-up treatments, offering comprehensive financial protection throughout the treatment cycle.[9]

4. Maternity and Newborn Benefits

Many health insurance policies provide maternity and newborn benefits, covering childbirth, prenatal/postnatal care, and initial vaccinations. These benefits are often subject to a waiting period and may be included as optional covers or within family floater plans.[10]

[6] *Regulation 2(h), Health Insurance Regulations, 2016*
[7] G.C. Bajpai, *Health Insurance in India: A Review* 112 (Oxford University Press, New Delhi, 2021).
[8] Insurance Regulatory and Development Authority of India, Health Insurance Regulations, 2016, Regulation 3(iii).
[9] A.K. Sen and R. Bhat, "Hospitalisation Patterns in India" 55(7) *Economic and Political Weekly* 25(2020).
[10] Poonam Sharma, *Women and Health Insurance in India* 88 (Sage Publications, New Delhi, 2020).

5. Critical Illness Coverage

Another crucial component is critical illness coverage, which provides a lump-sum payment upon the diagnosis of specified life-threatening diseases such as cancer, heart attack, kidney failure, or stroke. This helps the insured meet high treatment costs and manage financial obligations during recovery.[11]

6. Cashless and Reimbursement Options

Health insurance also offers the convenience of cashless and reimbursement options. In a cashless facility, the insurer directly settles the bills with the hospital (if it's part of the insurer's network). In reimbursement, the insured pays the expenses first and then claims the amount from the insurer by submitting the bills and documents.[12]

7. **Tax Benefits under Section 80D**

Lastly, policyholders are entitled to tax benefits under Section 80D of the Income Tax Act, 1961. Premiums paid for health insurance can be deducted from taxable income up to a specified limit, making health insurance not just a safety net but also a financially rewarding investment.[13]

IV. HISTORICAL BACKGROUND OF HEALTH INSURANCE IN INDIA

Health insurance in India evolved gradually from informal care systems to a structured model. In ancient and pre-colonial times, healthcare relied on community support like Ayurveda, temple charities, and mutual aid, though lacking financial risk protection.[14] During British rule, public health governance began with laws like the Factories Act, 1881.[15] The Bhore Committee Report (1943) proposed a comprehensive public health system and hinted at contributory insurance, but no formal scheme was introduced under colonial rule.[16]

Post-independence, India introduced structured health insurance through state programs. The Employees' State Insurance Scheme began in 1948 for industrial workers, followed by the Central Government Health Scheme in 1954 for government staff. The 1986 launch of the Mediclaim Policy by the General Insurance Corporation marked the start of private and voluntary health insurance.[17]

[11] IRDAI, Standard Guidelines on Critical Illness Plans, Circular No. IRDA/HLT/REG/CIR/056/03/2022, dated 21 March 2022.
[12] Aditi Chaturvedi, "Cashless Claims and the Challenges in Network Hospitals" 10(2) *Journal of Insurance Law and Practice* 145(2022).
[13] Income Tax Act, 1961, s. 80D.

[14] K. S. Rao, *Health Care and Insurance* 25 (Deep & Deep Publications 2009).
[15] Government of India, Report of the Health Survey and Development Committee (Bhore Committee Report, 1946).
[16] *National Health Systems Resource Centre*, Evolution of Health Insurance in India 3 (2021), available at https://nhsrcindia.org (last visited Aug. 7, 2025).
[17] S. Chandrasekhar, *Health Policy in India* 84 (Sage Publications 2004).

The liberalization of India's insurance sector in the 1990s spurred rapid growth and innovation. With the creation of the IRDAI in 1999, private and foreign players entered the market, introducing products like cashless hospitalization, critical illness cover, and family floater plans.[18] To ensure inclusivity, the government launched the RSBY in 2008 for below-poverty-line families, later expanded into Ayushman Bharat – PM-JAY in 2018, offering ₹5 lakh coverage annually to over 50 crore people.[19] The COVID-19 pandemic reinforced the value of health insurance, prompting IRDAI to roll out targeted plans like Corona Kavach and promote digital health solutions, telemedicine, and faster online claim systems.[20]

V. INTERNATIONAL CONVENTIONS AND DECLARATIONS RELATED TO HEALTH

1. **Universal Declaration of Human Rights (UDHR), 1948**

Article 25(1) recognizes the right to an adequate standard of living, including medical care. Though not legally binding, it sets a moral standard for universal healthcare and financial access through insurance.[21]

2. **International Covenant on Economic, Social and Cultural Rights (ICESCR), 1966**

Article 12 affirms the right to the highest attainable standard of health. It obligates signatories to ensure affordable healthcare access, supporting the case for inclusive health insurance systems.[22]

3. **Alma-Ata Declaration, 1978 (WHO)**

This declaration defines health as a fundamental right and calls on governments to ensure universal access without financial hardship. It laid the foundation for national health insurance models in developing countries.[23]

4. **Constitution of the World Health Organization (WHO), 1948**

The WHO Constitution declares health a basic human right and supports financing models like risk pooling and insurance. It guides global action toward universal, equitable health access.[24]

[18] Government of India, Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (PM-JAY): Annual Report 2022, available at https://pmjay.gov.in (last visited Aug. 7, 2025).
[19] Insurance Regulatory and Development Authority of India (IRDAI), Annual Report 2020–21 19–20, available at https://irdai.gov.in (last visited Aug. 7, 2025).
[20] IRDAI, Corona Kavach and Rakshak Guidelines, available at https://irdai.gov.in (last visited Aug. 7, 2025).
[21] United Nations, Universal Declaration of Human Rights, 1948, Art. 25(1).
[22] United Nations, International Covenant on Economic, Social and Cultural Rights, 1966, Art. 12.
[23] World Health Organization, Declaration of Alma-Ata, International Conference on Primary Health Care, Alma-Ata, USSR, 6–12 Sept. 1978.
[24] World Health Organization, Constitution of the World Health Organization, 1948, Preamble.

5. **Sustainable Development Goals (SDGs), 2015**

Goal 3, especially Target 3.8, emphasizes Universal Health Coverage, financial protection, and access to essential services. It encourages the expansion of health insurance to reduce catastrophic health expenses.[25]

6. **ILO Convention No. 102 – Social Security (Minimum Standards), 1952**

This convention outlines minimum social security standards, including medical and sickness benefits. It promotes state and employer-supported health insurance as a means of protection for workers.[26]

7. **Astana Declaration on Primary Health Care, 2018**

Reaffirming Alma-Ata, it stresses Universal Health Coverage and the role of insurance in reducing inequalities. It urges governments to strengthen primary healthcare through sustainable financing systems.[27]

VI. CONSTITUTIONAL PROVISIONS RELATED TO HEALTH INSURANCE IN INDIA

1. **Right to Life and Personal Liberty**

Article 21 guarantees the right to life and personal liberty.[28] The Supreme Court has interpreted this to include the right to health. While not explicitly mentioning health insurance, judicial interpretations have recognized it as essential for accessing healthcare. Thus, health insurance is viewed as a component of the right to life.[29]

2. **Directive Principles of State Policy**

These directives urge the State to protect the health and strength of workers and ensure children grow in healthy conditions.[30] Though non-justiciable, they form the ethical basis for welfare policies like health insurance. The State uses them to justify schemes like ESI and other social security programs.[31]

3. **Right to Public Assistance in Certain Cases**

[25] United Nations, Transforming our World: the 2030 Agenda for Sustainable Development, A/RES/70/1, 2015.
[26] International Labour Organization, Social Security (Minimum Standards) Convention, 1952 (No. 102), Arts. 7–12.
[27] World Health Organization and UNICEF, Declaration of Astana, Global Conference on Primary Health Care, Astana, Kazakhstan, 25–26 Oct. 2018.
[28] M.P. Jain, *Indian Constitutional Law*, 123(LexisNexis, Haryana, 8th edn.,2018)
[29] *Francis Coralie Mullin v. Administrator, Union Territory of Delhi*, AIR 1981 SC 746
[30] Indian Constitution of India, A.39(e) & 39(f).
[31] V.N. Shukla, *Constitution of India*, 145 (EBC Publishing, Lucknow, 14th edn.,2022)

Article 41 directs the State to provide public assistance in cases of sickness, unemployment, old age, and disability. It provides a constitutional foundation for health insurance, especially for the poor and vulnerable. Many health insurance schemes are launched under this directive to ensure financial aid during illness.[32]

4. Duty to Improve Public Health

This article mandates the State to improve nutrition, living standards, and public health. It serves as a core directive behind the creation of national health insurance schemes like PM-JAY and RSBY. The government's health policies reflect its duty to fulfill this constitutional obligation.[33]

5. Schedule VII – Union and State Legislative Powers

Entry 23 of the Concurrent List allows both Centre and States to legislate on health insurance. This enables the creation of diverse health insurance schemes across India. Both levels of government have launched programs catering to different population needs under this shared authority.[34]

VII. KEY INDIAN LAWS RELATED TO HEALTH INSURANCE

1. The Insurance Act, 1938

This Act[35] governs all insurance business in India, covering registration, investment, and management of insurers. It ensures companies maintain solvency and adopt fair claim settlement practices. With liberalization, it works alongside newer laws like the IRDAI Act to regulate the growing insurance sector. It empowers regulators to protect policyholders and ensure financial stability.[36]

2. The Insurance Regulatory and Development Authority of India (IRDAI) Act, 1999

The Act established the Insurance Regulatory and Development Authority of India (IRDAI)[37] to regulate and promote insurance growth. It oversees licensing, product approval, and grievance redressal. IRDAI sets standards for health insurance and ensures transparency, fair pricing, and protection of consumer rights.[38]

3. The Consumer Protection Act, 2019

[32] P.M. Bakshi, *The Constitution of India,* 145(Universal Law Publishing, Delhi, 17th edn.,2021)
[33] Bipin Chandra and Prabha Rao, *Constitutional Development Since Independence,* 310 (2nd edn., Orient Black Swan, Hyderabad, 2017).
[34] R.S. Sharma, "Health Insurance in India: Opportunities and Challenges," 62 *Journal of the Indian Law Institute* 213(2020)
[35] The Insurance Act, 1938, Act No. 4 of 1938.
[36] Insurance Regulatory and Development Authority of India, Handbook on Insurance Regulatory Framework, available at: https://irdai.gov.in (last visited Aug. 7, 2025).
[37] The Insurance Regulatory and Development Authority Act, 1999, Act No. 41 of 1999.
[38] Rakesh Mohan Joshi, "Regulation of Insurance Sector in India: Role of IRDAI," 64 *Journal of the Indian Law Institute* 201 (2022).

This Act empowers health insurance policyholders to seek redress for service deficiencies. It allows complaints against claim denial, delays, or unfair terms. With e-filing and the CCPA, it strengthens consumer rights and ensures accountability in the insurance sector.[39]

4. **The Employees' State Insurance Act, 1948B**

The ESI Act provides health protection to industrial workers through a social insurance scheme. Funded by employers and employees, it offers medical, maternity, and disablement benefits. Managed by ESIC, it covers over 3 crore workers and is key to India's social security.[40]

5. **The Employees' Compensation Act, 1923**

This Act mandates employers to compensate workers for job-related injuries or death. While not a health insurance law, it encourages group insurance adoption to manage liabilities. It ensures worker protection and promotes safer work environments.[41]

6. **The Clinical Establishments Act, 2010**

This Act mandates registration and quality standards for hospitals, clinics, and labs. It supports insurers in empanelling reliable healthcare providers for cashless services. It enhances trust, accountability, and smooth claim processing in health insurance.[42]

7. **National Health Policy, 2017**

A guiding policy, it aims for universal health coverage and lower out-of-pocket expenses. It promotes affordable insurance schemes and integration of digital platforms. The policy influences regulatory measures to expand both public and private insurance.[43]

8. **The Maternity Benefit Act, 1961**

This law ensures paid maternity leave and medical benefits for working women. It has led insurers to include maternity and newborn coverage in group and family policies. It complements insurance plans and promotes workplace welfare for women.[44]

9. **The Mental Healthcare Act, 2017**

[39] Avtar Singh, *Law of Consumer Protection* 89(Eastern Book Company 10th edn.,2022)
[40] Shalini Sinha, "Evaluating the Reach of the Employees' State Insurance Scheme in India," 62 *Indian Labour Journal* 74(2020)
[41] The Employees' Compensation Act, 1923, Act No. 8 of 1923.
[42] The Clinical Establishments (Registration and Regulation) Act, 2010, Act No. 23 of 2010.
[43] National Health Policy, 2017, Ministry of Health and Family Welfare, Government of India, New Delhi, 2017.
[44] The Maternity Benefit Act, 1961, No. 53, Acts of Parliament, 1961

The Act mandates equal insurance coverage for mental and physical health. It requires insurers to include psychiatric care, counselling, and rehab in their policies. This progressive law fosters mental health awareness and inclusive healthcare.[45]

10. Section 80D of the Income Tax Act, 1961

This section offers tax deductions on health insurance premiums, encouraging wider adoption. Deductions apply to policies for self, family, and parents, with extra benefits for senior citizens. It promotes financial planning and boosts health insurance awareness.[46]

VIII. GOVERNMENT HEALTH INSURANCE SCHEMES IN INDIA

1. Ayushman Bharat – PM-JAY: Launched in 2018, PM-JAY offers ₹5 lakh per family per year for secondary and tertiary care. It targets over 10 crore poor and vulnerable families and provides cashless treatment at empanelled hospitals. The scheme has no cap on family size or age and is the world's largest government-funded health insurance program.[47]

2. Central Government Health Scheme (CGHS): Introduced in 1954, CGHS provides comprehensive medical care to central government employees, pensioners, and their dependents. Services include outpatient care, hospitalization, diagnostics, and wellness support. It operates through CGHS dispensaries and empanelled hospitals in select cities.[48]

3. Employees' State Insurance Scheme (ESIS): ESIS covers employees earning ₹21,000 or less monthly, along with their families. It provides medical care, sickness benefits, maternity support, and disability compensation. Funded by employee-employer contributions, it is managed by ESIC and delivered via ESIC hospitals and clinics.[49]

[45] The Mental Healthcare Act, 2017, No. 10, Acts of Parliament, 2017
[46] Income Tax Act, 1961, § 80D, No. 43, Acts of Parliament, 1961.
[47] Government of India, Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (PM-JAY), National Health Authority, available at https://pmjay.gov.in (last visited Aug. 7, 2025).
[48] Ministry of Health and Family Welfare, Central Government Health Scheme (CGHS), available at https://cghs.gov.in (last visited Aug. 7, 2025).
[49] Employees' State Insurance Corporation, About ESIC, available at https://www.esic.gov.in/about-us (last visited Aug. 7, 2025).

4. Rashtriya Swasthya Bima Yojana (RSBY): Launched in 2008 for BPL families in the unorganized sector, RSBY offered up to ₹30,000 coverage annually with smart card-based cashless access. It has now been integrated into PM-JAY for a more streamlined and extensive health coverage model.[50]

5. State-Specific Health Insurance Schemes: States like Maharashtra (MJPJAY), Odisha (Biju Swasthya Kalyan), and Andhra Pradesh (Aarogyasri) run their own health insurance programs. These schemes often complement PM-JAY and cater to region-specific healthcare needs. They expand grassroots-level access to medical coverage.[51]

6. Pradhan Mantri Suraksha Bima Yojana (PMSBY): PMSBY offers accident insurance for citizens aged 18–70 with a bank account, at just ₹12 annually. It provides ₹2 lakh for accidental death or full disability and ₹1 lakh for partial disability. It covers millions under a highly affordable safety net.[52]

7. Ayushman Bharat – Health and Wellness Centres (AB-HWCs): AB-HWCs deliver primary and preventive healthcare services, especially in rural areas. They aim to reduce pressure on hospitals by offering early diagnosis, treatment, and referrals. These centers are integrated with PM-JAY for comprehensive care delivery.[53]

8. Other Notable Schemes: Janashree Bima Yojana and Aam Aadmi Bima Yojana target the rural and urban poor. The Ex-Servicemen Contributory Health Scheme (ECHS) serves retired armed forces personnel and their dependents with full healthcare coverage through empaneled medical facilities.

IX. JUDICIAL INTERPRETATION

***Consumer Education and Research Centre v. Union of India*[54]**

In this landmark case, the Supreme Court held that the right to health is an integral part of the right to life under Article 21. The Court emphasized the duty of the State and employers to provide healthcare and insurance as enforceable rights.

***United India Insurance Co. Ltd. v. Manubhai Dharmasinhbhai Gajera & Ors.*[55]**

[50] The Employees' Compensation Act, 1923, No. 8, Acts of Parliament, 1923
[51] The Clinical Establishments (Registration and Regulation) Act, 2010, No. 23, Acts of Parliament, 2010
[52] Ministry of Health and Family Welfare, National Health Policy 2017, available at https://www.nhp.gov.in (last visited Aug. 7, 2025).
[53] Government of India, Ayushman Bharat – PM-JAY, available at https://pmjay.gov.in (last visited Aug. 7, 2025)
[54] (1995) 3 SCC 42
[55] (2008) 10 SCC 404

The Supreme Court held that Mediclaim policies must follow the principle of utmost good faith, binding on both insurer and insured. Arbitrary rejection of claims is impermissible unless deliberate suppression of material facts is proven.

Om Prakash v. Reliance General Insurance Co. Ltd.[56]

The Supreme Court ruled that minor or unintentional errors in insurance disclosures should not result in complete claim denial. It stressed distinguishing willful concealment from innocent mistakes, safeguarding policyholders from unjust rejections based on technicalities.

Smt. Raj Kumari v. National Insurance Co. Ltd.[57]

The NCDRC held the insurer liable for denying cashless treatment despite the hospital being on its approved list, terming it a deficiency in service. The decision reinforced the duty of insurers to implement cashless policies transparently and fairly.

Manmohan Nanda v. United India Assurance Co. Ltd.,[58]

The Supreme Court held that insurers cannot repudiate claims based on disclosed pre-existing conditions once a policy is issued, unless justified. It reaffirmed that insurance contracts are governed by the principle of utmost good faith (uberrima fides).

X. CHALLENGES

1. **Lack of Universal Coverage**: A significant portion of the Indian population, especially in rural and informal sectors, remains uninsured or underinsured, lacking access to essential health services.
2. **Regulatory Gaps and Fragmentation**: Despite regulatory bodies like IRDAI, overlapping jurisdictions and absence of cohesive policy frameworks across states lead to inefficiencies and inconsistencies in implementation.
3. **Awareness and Literacy Deficit**: Many citizens are unaware of their health insurance rights and entitlements. Complex policy documents and jargon further alienate low-literacy populations.
4. **Private Sector Dominance and High Costs**: The predominance of private insurers and healthcare providers has led to higher premiums, exclusionary practices, and variable quality of care.

[56] (2017) 9 SCC 724
[57] (2015) CPJ 100 (NC)
[58] 2021] 11 S.C.R. 1138.

5. **Exclusion Clauses and Pre-existing Conditions**: Policies often include several exclusions, waiting periods, and restrictions on pre-existing diseases, limiting the effectiveness of coverage for those who need it most.
6. **Claim Settlement Issues**: Delays, rejections, and lack of transparency in claim settlement erode public trust in health insurance products.
7. **Poor Integration with Public Health Infrastructure**: There is a disconnect between insurance schemes and primary healthcare systems, leading to duplication, inefficiency, and limited coverage for preventive care.

XI. THE WAY FORWARD

1. **Move Toward Universal Health Coverage**: Strengthen government schemes like Ayushman Bharat and promote affordable insurance models to ensure no one is left behind, particularly the vulnerable and economically weaker sections.
2. **Regulatory Strengthening and Harmonization**: Enhance the role of IRDAI and other agencies to streamline policies, reduce fragmentation, and ensure uniform standards across public and private insurance providers.
3. **Improve Public Awareness and Literacy**: Launch mass awareness campaigns in regional languages, simplify policy documentation, and provide consumer education on rights, coverage, and claim processes.
4. **Digital Integration and Claim Transparency**: Leverage technology for real-time claim tracking, portability of health records, and grievance redressal through digital platforms to build public confidence.
5. **Standardized Products and Inclusive Design**: Promote standardized insurance products with minimal exclusions, shorter waiting periods, and tailored plans for elderly, disabled, and persons with pre-existing conditions.
6. **Public-Private Partnerships**: Encourage collaborative models that blend government funding and private expertise to expand reach, improve efficiency, and enhance quality of healthcare delivery.
7. **Link Insurance to Preventive and Primary Care**: Health insurance policies should incentivize regular check-ups, screenings, and preventive healthcare, aligning with holistic public health goals.

XII. SUM UP

The legal and policy framework of health insurance in India is shaped by various laws such as the Insurance Act, 1938, the IRDAI Act, 1999, and consumer protection statutes, along with government schemes like Ayushman Bharat. While these provide a foundation for expanding coverage and regulating insurers, challenges remain in terms of awareness, affordability, claim settlement transparency, and equitable access, especially in

rural areas. Strengthening regulatory enforcement, improving digital infrastructure, and promoting public-private partnerships are essential steps forward for a more inclusive and efficient health insurance system in India.