



SOCIETY OF ACTUARIES

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## A Study on Emerging Health Conditions Among the Aged in India and the Sufficiency of Medical Framework and Health Insurance

By N.V. Subramanyan

**Editor's Note:** *N.V. Subramanyan, Practice Leader—Insurance, NIIT Technologies, was a presenter at the 2011 Living to 100 fourth triennial symposium that drew attendees from 17 countries, nearly 50 participating organizations/sponsors and speakers from all over the world. The full paper is one of 35 papers that were presented at the symposium and will be included in an online monograph expected to be completed in the spring. More information on this research effort can be found at <http://livingto100.soa.org/default.aspx>.*

### SYNOPSIS

Over the decades, the number of aged in India has steadily increased. However, the percentage of the aged to the total population has been declining somewhat, especially since it is masked by the increasing number of younger members of the population. The gradual shift from basically an agrarian economy to an industrialized economy—mainly one based on the information technology focused society—has had a telling effect. For instance, the prevalence of lifestyle diseases such as diabetes mellitus, cardiovascular diseases, etc. has been increasing tremendously. For example, there is an alarming rise in prevalence of diabetes, which has gone beyond epidemic form to a pandemic one with the number of diabetic patients more than doubling from 19 million in 1995 to 40.9 million in 2007 and is projected to touch 69.9 million by 2025.<sup>1</sup>

Similar is the Indian experience with hypertension patients and also the incidence of Alzheimer's, etc. especially among the elderly. This spurt of diseases and the resultant morbidity are severely affecting the quality of life of the elderly. Further, a matter of grave concern is that since the prevalence is also increasing rapidly

among the younger generation, the number of the elderly affected in the future is certain to be high, which should set the time and energy spent in addressing the situation to be increased immediately to have any chance of avoiding a catastrophe. The silver lining is that reputed research institutions such as the Centre for Cellular & Molecular Biology and also some defense institutions are conducting studies to work out ways to deal with and control the problem.

However, what compounds the difficulty at the grassroots level is that the medical and health care infrastructure in India is perhaps inadequate to meet the challenge considering the sheer magnitude of the population. Ironically, even though the cost of medical treatment is low in India compared to developed countries, it is still beyond the reach of the common Indian as the health insurance industry is still developing. The absence of a social health care policy and health insurance setup makes the scenario scary. Without a doubt, India seems to be sitting on a major crisis ticking all the time that could have serious consequences at the economic, social and humanitarian levels.

The present paper is an attempt to study the situation, analyze and estimate, using actuarial tools, the effect on the economy with particular focus on the present and future aged segment of the population, identify opportunities for the insurers to address the situation and finally to suggest remedial measures to deal with the situation. Medico-actuarial studies in this area will also be covered. □

### ENDNOTES

<sup>1</sup> Indian Council of Medical Research Task Force.