INTRODUCTION

METHODS: This study describes the characteristics of health insurance industry in Pakistan in terms of its total contribution in health sector, services, products, customers, exclusion criteria, financial indicators, scope of up-scaling, government policies and problems of private sector in channelizing private health insurance.

For this study I reviewed The Pakistan National Health Accounts document, and other official publications of Ministry Of Health, Federal Bureau of Statistics, Securities Exchange commission of Pakistan, State Bank of Pakistan and Insurance Association Of Pakistan. Other relevant information was found from official websites of insurance companies working in Pakistan.

Comprehensive Web based literature search was done using PubMed and Google scholar to find relevant Research Articles.

INSURANCE INDUSTRY comprises Life Insurance, Non-Life Insurance and Reinsurance. Health Insurance is a component of Non-Life insurance, other components of Non-life (General) insurance are fire, motor, marine, treaty and miscellaneous insurance. The non-life insurance sector plays an important role in the indemnification of losses emanating from various events, other than death. Life-Insurance mainly deals with providing benefits against death, and accidental disability.

HUMAN RESOURCE

In life insurance sector, largest company is owned by the Government i.e. State Life Insurance Company (SLIC). One of SLIC's biggest advantages is the size of its agency force, as it employs more than 50,000 personnel to sell its policies in the traditional manner i.e. convincing people in a face-to-face interaction. The private sector lags behind in comparison as the combined agency force of all four companies is around 6,000 7,000 personnel.

SOME EXCLUSIONS:
Routine Medical Examination, Dental Treatment or Oral Surgery, Cosmetic Surgery, Birth Defects or Congenital Illness, Pre-existing Medical Condition, Psychotic, Mental or Nervous Disorders, Self-inflicted Injury, Attempted Suicide, Abuse of Alcohol, Drug-addiction or Abuse, STD's Treatment, Pregnancy and Childbirth, Outpatient Treatments, Conditions caused by War Invasion, Terrorism or Civil unrest, Infertility, Cosmetic Treatment.

CHECK LIST FOR PURCHASING HEALTH INSURANCE

- Pre-authorization for Admission
- Pre and post hospitalization expenses
- Credit facility at panel hospitals
- Limit on length of stay in the hospital
- Sub limits on hospital procedures
- Local ambulance charges coverage
- Out of network treatment reimbursement
- 24-hour Medical Hotline
- Easy to carry Health Card
- Emergency evacuation cover
- Emergency International coverage
- Pre-existing conditions coverage
- No-claim bonus
- Patient’s meals coverage

LIFE & HEALTH INSURANCE SERVICES OFFERED

Corporate Plan, Individual Plan
- Group Life, Accidental Death, Permanent Partial Disability. Terminal Illness, Total Permanent Disability, Total Temporary Disability, Critical Illness
- Pure Life Protection Plan
- Death, Disability
- Health Plan
- Accidental Hospitalization, Critical Illness, Death, Disability Benefits
- Critical Care Benefits, Free Look Period, 21 Critical Illnesses (Adalimee ins.)
- In-patient, Out-patient Inside-network, Outside-network, Co-Payments, Medicines, Physician Fee, Diagnostic Fee, Psychiatric Treatment, Physiotherapy, Routine Dental Cover, Pre-existing & Chronic Conditions, Day-Care, Maternity Cover, Normal, C-Section, Ambulance, Circumcision, New born baby hospitalization, CT, MRI, Thallium Scan, Emergency Treatment Abroad, Artery Surgery, Stroke, Cancer, Renal Failure, Minor Hospital Check Up Acute Emergencies

LIFE INSURANCE COMPANIES (DOMESTIC & FOREIGN)

<table>
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<th>Company Name</th>
<th>Yr. Of Estb</th>
<th>Insurers</th>
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<tr>
<td>ADAMjee Life Assurance</td>
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<tr>
<td>Askari Life &amp; Health Insurance</td>
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<td>5</td>
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<tr>
<td>East West Life Assurance</td>
<td>1992</td>
<td>6</td>
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<td>EFU Life Assurance</td>
<td>1992</td>
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<table>
<thead>
<tr>
<th>Company Name</th>
<th>Yr. Of Estb</th>
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<tbody>
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<tr>
<td>Jubilee* Life Insurance Company</td>
<td>1995</td>
<td>9</td>
</tr>
<tr>
<td>American Life Insurance Co (Pak)</td>
<td>1995</td>
<td>10</td>
</tr>
<tr>
<td>East West Life Assurance</td>
<td>1992</td>
<td>11</td>
</tr>
</tbody>
</table>

Life Insurance Companies

CONTROL & REGULATIONS: The insurance sector have been jointly regulated by the Securities Exchange Commission of Pakistan (SECP) and the Ministry of Commerce. However, from July 27, 2009, the Ministry of Commerce has conferred its powers and functions under Section 167(2) of Insurance Ordinance, 2000 to the SECP.

COMPOSITION OF NET PREMIUMS (Non-Life Insurance)

Premiums for health insurance have registered an increase from 5.0 percent to 11.0 percent in CY09 respectively (SBP 2010).

Health insurance has also gained considerable growth in recent years. Unlike other non-life products that gained considerable attention due to compulsory insurance to acquire bank based financing, health insurance has largely remained ignored since banks generally do not provide financing of a nature which requires health insurance and hence its growth has reduced in comparison to other non-life products.

In view of the importance of health insurance, the government has exempted the excise tax on health insurance policy issuance by 5% to promote health insurance schemes. It is worthwhile to note that the life insurance companies were already exempted from excise taxation in CY04 (SBP 2006).

Insurance penetration is the ratio of gross premiums to GDP. Insurance density is defined as gross premium per capita.

A unit link policy is a life insurance policy in which the insured provides a life insurance cover. The premium paid by the insured is invested by the insurance company in stocks and / or bonds. Hence the insured not only gets life insurance cover but also gains an investment return on the premium paid (SBP 2006).

Bancassurance means using the outreach of banks to sell insurance products.

LIMITATIONS: Instead of detail description of products, services, coverage only some features have been presented in this study.

Recommendations: Protection of the interest of insurance policyholders. Availability of insurance protection to less privileged segment of the society. (Microinsurance). Insurance Awareness Programs. Enhancing the public image of the insurance industry. The key factors to promote PHI are deep outreach, huge customer base, actuarial expertise, large sales force and low-premium products offerings. Business to business (B2B) approach should be adopted along with Business to Customer (B2C) approach.

BIBLIOGRAPHY

1. Insurance Association Of Pakistan, Annual Report 2011

COVERAGE: Insurance companies offer health coverage by contracting with private hospitals in different cities. Number of hospitals and their location varies for each company. Number of cities covered (with network of hospitals) ranges from 21 to 51 for above mentioned companies.