

**ACTUARIALLY FAIR? QUANTIFYING DISCREPANCIES IN THE INDIAN HEALTH
INSURANCE SECTOR**

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ABSTRACT

This study investigates the actuarial fairness of health insurance policies by examining discrepancies within the system and their impact on medical care costs. Health insurance serves as a financial safeguard against health-related expenses, with premiums typically reflecting the expected cost of medical services. However, discrepancies such as misinformation, access to medical services, hospital quality, and inconsistencies in claim processes can distort these costs, challenging the fairness of the policies. The research aims to analyse how these discrepancies affect the costs incurred by insured households and assess whether the expected costs rise or fall in response to these discrepancies. By linking observed variables representative of these discrepancies to the actual medical expenses incurred, the study will determine the extent to which these factors deviate from what is traditionally considered actuarial fairness. The thesis will review relevant literature to frame the issues within a theoretical context, outline a detailed methodology for analysing the discrepancies, and discuss the findings. Conclusions will include policy recommendations aimed at improving the fairness and effectiveness of health insurance policies, alongside reflections on the potential impacts of these recommendations on the future of health insurance.

Keywords: *Health Insurance, Actuarial Fairness, Discrepancies, Misinformation, Claim process inconsistencies, Hospital Inequality, Access to Medical Services.*