**Abstract**

The percentage of India's national budget allocated to the health sector remains one of the lowest in the world, and healthcare expenditures are largely out-of-pocket (OOP). Currently, efforts are being made to expand health insurance coverage as one means of addressing health disparity and reducing catastrophic health costs. The growth of health insurance in India requires a better understanding of the perceptions of healthcare providers and the stakeholders. Given the lack of affordability of the poor, low penetration of health insurance, any attempt towards attaining the universal healthcare should be necessarily under taken. The problems at the grass root level should be identified and cured at the infant stage itself. Merely because of the fact that the insurance premium is subsidized by the Government, the ultimate beneficiaries should not be deprived of the due benefits. Health insurance is a mechanism by which a person protects himself from financial

loss caused due to accident and or disability. Though disability is not fixed, precise and immutable state affected as it is by numerous influences, both objective and subjective, its significance to society is that condition of ill health arising from disease or injury that prevents the individual from pursuing his normal routine of living. The universality of the hazard of disability is everywhere recognized, just as “uncertainty is one of the fundamental facts of life”. It is may be because of this reason why the earlier society looked into health insurance as a mechanism to reduce the uncertainty attached to disability.