

INSURANCE

# A uniform, standard health cover from April 1

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THE Insurance Regulatory and Development Authority of India (IRDAI) has made it mandatory for general and health insurers to come up with a standard individual health insurance product, which can cater to the basic health needs of a customer, with a maximum sum insured of ₹5 lakh and minimum of ₹1 lakh.

So far, the only standardised insurance product had been the motor insurance.

The insurers are mandated to offer the product from April 1, 2020, onwards and need no pre-approval from IRDAI for this. The minimum entry age is fixed as 18 years and maximum 65. The policy has no exit age and has the provision of lifelong renewability. The de-



pendents will be covered from the age of three months to 25 years, subject to the definition of 'family'. If the dependent is aged above 18 years and is financially independent, s/he would be ineligible for coverage in subsequent renewals.

According to Subramanyam Brahmajosyula, head (underwriting & reinsurance), SBI General Insurance, with the introduction of a standardised product, the customer can confidently choose any insurer,

## Non-life insurance

Non-life insurance firms saw 11.5 per cent rise in premium collections at ₹15,980.81 crore in December 2019, said IRDAI. About 34 firms had collected a premium of ₹14,334.98 crore in December 2018, it said.

knowing full well that they have a product with common policy wordings.

A standardised product will also make it easier for customers to exercise the option of portability. Insurance companies will now have to distinguish themselves in the premiums they charge and their servicing capabilities, especially at the claims stage, he said.

Pallavi Roy, head (products), IFFCO Tokio General Insurance, also agreed that the easy-

to-understand standard health insurance product will facilitate seamless portability and convenience of purchase.

The IRDAI guidelines have provided clarity on the definitions of portability and migration as well. "While migration allows a policyholder to migrate from one plan to another or from group policy to individual policy of the same insurer with the credit gained for pre-existing conditions and time-bound exclusions with the previous policy, portability allows a customer to port his or her policy from one insurer to another with the credit gained for pre-existing conditions and time-bound exclusions with the previous policy," said Gurdeep Singh Batra, head (retail underwriting), Bajaj Allianz.