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## Insurers start standard health policy with sum insured ₹1-5 L

**FE BUREAU**  
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**INSURANCE COMPANIES HAVE** started offering standard health insurance policy called Arogya Sanjeevani with minimum sum insured of ₹1 lakh to ₹5 lakh.

Insurance players feel that this move will help to create more awareness about health insurance, however policyholders should look at claim settlement history and cashless network coverage with hospitals of the insurer before buying the policy as premiums might vary from one insurance company to another.

Insurance Regulatory and Development Authority of India (Irdai) had asked insurers

to launch this policy in order to simplify the wordings of general clauses in the policy contracts and ensure uniformity and greater transparency. Market participants also say that this product will encourage people to buy health insurance as this policy is simple to understand.

Tapan Singhel, MD & CEO, Bajaj Allianz General Insurance, said, "The launch of this standard health insurance product will play a crucial role in encouraging people to opt for health insurance. Since the policy wordings are same across all insurers, the main differentiator will be the service you provide to the customer. The product coverage are easy to understand and will be same across all insurers, making it even easier for cus-



tomers to opt for."

Currently, there are several health insurance products in the market and every insurer designs products based on their underwriting guidelines, claims experience, risk assessment. Therefore, every product might have different benefits, terms of coverage

and premium. With such wide range of product offering a policyholder needs to assess before selecting an ideal plan for themselves.

In the case of Arogya Sanjeevani, the regulator has advised insurers to develop a standardised offering in terms of benefits and terms of coverage, thus making buying decision for this product simpler.

"The insurer has been given complete freedom to price the product and define their underwriting guidelines. For example, the decision of whether to ask the customer to undergo a pre-policy medical check-up or simply assess based on tele-underwriting," said Ashutosh Shrotriya, head for product & business process at Religare Health Insurance.

Even though this product is same across all the insurance companies, the pricing may be decided by the insurer after taking into consideration its portfolio experience and risk management practices. Data from Policybazaar.com shows that under Arogya Sanjeevani policy, a 30-year-old, with sum insured of ₹5 lakh will be having a premium in the range of ₹3,000-₹5,000 per annum, excluding GST.

"The variables that consumer may consider, other than pricing, will include the insurer's servicing standards, comprehensiveness of its cashless network coverage or its branch network, its brand image as well as other service metrics like claims settlement ratio," added Shrotriya.