

# Non-life insurers told to offer standard Covid cover from July 10

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The insurance regulator has directed non-life insurers to offer two standard Covid-19 products — Corona Kavach (an indemnity-based insurance) and Corona Rakshak (a benefit-based cover) — to consumers from July 10.

An indemnity plan is where the insurer reimburses the money spent on medical treatment. Under a benefit-based health cover, the insured amount is paid out to cover expenses for a pre-determined illness or condition that has been insured.

The Insurance Regulatory and Development Authority of India (Irdai) finalised the guidelines for a standard Covid-19 health product after a series of draft regulations were issued to insurance companies in the past one month.

Earlier, Irdai had toyed with idea of an indemnity-based product from June 15, but the draft guidelines were revised later in which it asked insurers to offer a benefit-based product by June 30. The regulator revised the draft guidelines for the third time and asked insurers to provide two products instead of one — bene-



## MAKE A CHOICE

### Corona Kavach

- Base indemnity cover and benefit-based optional cover
- Includes hospitalisation cost
- Treatment for any pre-existing co-morbid conditions
- Can insure maximum ₹5 lakh

### Corona Rakshak

- Policy provides a benefit-based cover
- Lump sum benefit equal to 100% of the sum insured
- One can insure maximum ₹2.5 lakh

fit-based and indemnity-based.

According to the final guidelines, the Corona Kavach policy will come with a base cover that will be offered on an indemnity basis and an optional cover that will be made available on a benefit basis. This indemnity policy will cover the hospitalisation expenses, which includes all costs relating to room, boarding, intensive care unit (ICU),

nursing expenses, medical consultation such as telemedicine, and consumables such as PPE kits. It will also include the cost of treatment for co-morbid conditions, including pre-existing ones, along with the Covid-19 treatment.

No ceiling has been set on the cost of room and ICU in the policy but a maximum of ₹2,000 will be covered for ambulance.

Moreover, home care treatment will also be covered for a maximum of 14 days. The optional cover under Corona Kavach will ensure the company pays 0.5 per cent of the sum insured per day for every 24 hours of continuous hospitalisation. The benefit will be payable for a maximum of 15 days during the policy period.

The minimum sum insured will be ₹50,000 and can go up to ₹5 lakh. Under Corona Rakshak, a lump sum benefit equal to 100 per cent of the sum insured will be paid on positive diagnosis of Covid-19, requiring hospitalisation for a minimum continuous period of 72 hours. It will come with a minimum sum insured of ₹50,000 and maximum ₹2.5 lakh.

Both the policies will have tenures of three and a half months, six and a half months, and nine and a half months, including the waiting period, and there will be a single premium.

While the policy wordings and the benefits will be uniform, the pricing of the product has been left to insurers. Experts say the standard product will be cheaper than other comprehensive health products and the benefit-based cover will be priced higher than the indem-

nity product. "The hallmark feature of these products is the uniformity of the policy wordings across the market. Claims management will be an important aspect of these products and insurers are working closely with the General Insurance Council to bring some rationalisation in the treatment costs," said Milind V Kolhe, chief underwriting and reinsurance officer, Bharti AXA General Insurance.

Rashmi Nandargi, head of retail health underwriting at Bajaj Allianz General Insurance, said these policies will cater to people who currently don't have a holistic health insurance policy and are looking to cover themselves against Covid-19. "The policy cover, terms & conditions are standard across insurers; the USP would be the wide network of hospitals for cashless facility."

Explaining the two products, an expert said if anyone has a normal health product, they can take the benefit-based cover and on testing positive, will get a lump sum amount. The benefit-based product can be taken as a supplementary cover. But, if you do not have a cover, opting for an indemnity-based product makes sense.