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[Transgender health insurance to get a boost; clear underwriting philosophy needed, regulator says](#)

Insurers will have to publish their approach towards evaluating proposals for transgenders on their websites so that members of the community will be encouraged to take health insurance

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India's insurance companies must spell out their underwriting philosophy for transgender applicants, a move that experts say will make it easier for members of the community to access information and encourage them to seek health insurance.

"All the insurers now are instructed to publish on their respective websites the aspects of underwriting philosophy and approach with regard to offering health insurance coverage to transgender persons so that the targeted population may have complete information on the philosophy that insurers adopt in this regard," the Insurance Regulatory and Development Authority of India said in a circular on March 8. Insurance companies will be required to broadly disclose how such health insurance proposals will be evaluated, risks assessed and premiums determined in the case of transgender applicants.

The objective of asking life, health and general insurance companies to publish their underwriting approach for evaluating health insurance applications on their portals is to ensure transparency and provide clarity to prospective transgender policyholders.

IRDAI's directive makes it mandatory for all insurers to offer such coverage, leaving no scope for any confusion.

“Many insurers are providing coverage to the community. But once the industry is mandatorily required to disclose the philosophy, they have to offer the option,” says Shrehith Karkera, cofounder of insurance platform Ditto Insurance.

For all genders

Current health insurance regulations require insurance companies to devise underwriting policies to offer coverage to other than ‘standard’ lives too. The insurance regulator’s latest directive draws upon the Transgender Persons (Protection of Rights) Act, 2019, in recommending the disclosure of underwriting norms. This is in line with previous directives on lives that are not considered ‘standard’ by the industry – people with disability and those affected by HIV/AIDS and mental illnesses.

Some insurers offer coverage to transgenders as also the LGBTQ+ community, though the process is far from simple. The Life Insurance Corporation of India has had a ‘third gender’ option in its proposal forms since 2016. Bajaj Allianz General Insurance, too, offers coverage to the community.

“We have already been practising this since 2018. Our underwriting philosophy is no different for them. Our underwriting and acceptance of policy applications is free from any bias,” says Gurdeep Singh Batra, head of retail underwriting at Bajaj Allianz General Insurance.

However, some insurers don’t offer this cover, citing lack of data to price risks. “They can always obtain the data if they make the effort, but some have chosen not to take the trouble,” said an insurance intermediary who spoke on condition of anonymity.

In India, population of those who identify themselves neither as male nor female is close to half a million, as per Census 2011. This includes transgenders, though Census 2011 does not have data specifically on the community. The Transgender Persons (Protection of Rights) Act, 2019, requires the government to facilitate the coverage of medical expenses through an insurance scheme for sex reassignment surgery, hormonal therapy, laser therapy or “any other health issues of transgender persons.” In addition, they face several health risks.

“The transgender community faces emotional and psychological abuse, physical and sexual violence, sexually transmitted infections, viral hepatitis and HIV. They are also constantly grappling with mental health problems, such as depression, anxiety and suicidal thoughts,” says Saransh Garg, co-founder of Nova Benefits, which provides services in the employee wellness and benefits space.

Unlike in life insurance, where gender determines premium – and women pay lower premium – the pricing of health insurance is not linked to gender. “Premiums in health insurance are based on age and not gender,” says Batra. Pricing is also influenced by lifestyle choices, health status and history, irrespective of gender.

Greater clarity

The regulator’s latest circular will ensure uniformity across insurers and provide more clarity, industry executives said.

“This is a positive step. Insurers will have to rethink their entire underwriting process and be transparent about their underwriting. So far, the philosophy was vague in case of some insurers,” says Anurag Garg, founder of Nivesh.com, an insurance broking company. IRDAI’s diktat will reduce the bias that the transgender community often encounters.

“Health insurance is a basic ask... and this move will help introduce transparency and a sense of inclusivity in the system, thus providing equal access, with no discrimination on the grounds of sexual orientation or gender identity,” says Saransh Garg.

Once insurance companies start putting out their underwriting guidelines specifically for transgenders, the community will find it easier to access information and seek health insurance.

“The community needs to come out and look to insure themselves. Insurers are open to accepting their proposals, without any bias in any aspect,” says Batra.