

Insurance cos barred from excluding many illnesses

Rachel.Chitra
@timesgroup.com

Bengaluru: In a move that will benefit lakhs of policyholders, insurance companies have been barred from excluding illness associated with hazardous work activity, artificial life maintenance, treatment of mental illness, age-related degeneration and internal congenital diseases.

The insurance regulator on Monday said that age-related ailments such as cataract surgery, knee-cap replacements, Alzheimer's and Parkinson's would also have to be covered. Also factory workers, working with harmful chemicals, which impact health over a long-term period, cannot be refused respiratory or skin ailments that arise as a result of workplace conditions.

The Insurance Regulatory and Development Authority (IRDAI) has also standardised exclusions—which means if an insurer does not want to cover epilepsy, chronic kidney diseases and HIV/

AIDS—there are specific wordings to be used and a specific waiting period (30 days-1 year) after which coverage would begin.

These guidelines will greatly benefit policyholders, who disclose pre-existing conditions, as IRDAI has said, "Every health insurance product shall cover all pre-existing diseases disclosed by the persons to be insured immediately af-

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ter the expiry of the forty-eight months waiting period or such lower period as stipulated in the product."

Standardisation of health regulations will also help portability as the new insurer cannot set undue waiting periods. IRDAI has said, "if a person transfers from one insurer to the other—and has already complet-

ed in part some of the waiting period requirement—then the new insurer may impose only the unexpired / residual waiting period not exceeding 48 months from the date of first issuance of porting out policy."

"Standardizing of wordings of exclusions across all insurers will avoid any grey area and provide better understanding to the customers. In line with medical treatments evolving and new methods coming up, insurers will be able to cover policyholders against them," said Gurdeep Singh Batra, head—retail underwriting, Bajaj Allianz General Insurance.

But TPAs and brokers warn that while the move is pro-policyholders it remains to be seen how it will affect pricing. "This is definitely great news for millions of people who, till now, found it difficult to obtain a cover. However, a word of caution as it might lead to a drastic increase in the premiums if insurers faced rising claims," said Rahul Agarwal, founder, Ideal Insurance Brokers.