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Health insurers get more time

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Calcutta: The regulator has allowed health insurance companies to meet its new standardised guidelines by October next year, giving the players an extension by a year.

In a bid to ensure uniformity in the terms and conditions of a health policy, including what to exclude and include in the document, the Insurance Regulatory and Development Authority (Irdi) has issued guidelines for the sector.

The guidelines provide a list of optional items that insurers can consider covering under the product along with a list of common items that need to be subsumed under various heads of hospitalisation bills such as room rent, procedure charges and cost of treatment.

The guidelines on exclusions include a list of diseases that are permanently excluded and also ensures that a proper declaration of pre-existing diseases is made

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- Regulator focus on making uniform policy wording
- Guidelines cover what can be excluded and what not in wordings
- Clarity on pre-existing diseases and what charges can be subsumed under different heads of hospitalisation bills

on the proposal while buying the policy.

Irdi had stipulated that all new products filed from October 1, 2019, would be on the new guidelines. All existing products would continue until September 2020.

However, insurers would have to withdraw all existing products, which do not conform to these guidelines effective October 2020. The insurance companies will have to revise all existing products to

conform to these guidelines before the stipulated time period.

"The guidelines are a welcome step. With this clarity, grey areas are avoided in terms of claim processing and coverage provided by the insurance company," said Gurdeep Singh Batra, head – retail underwriting, Bajaj Allianz General Insurance.

"One of the most important part of this guideline is that no diseases/conditions contracted after the policy has been in force can be excluded.

"These guidelines also disallow ambiguous or disputable exclusions," according to Shreeraj Deshpande, chief operating officer, Future Generali India Insurance Company.

"We expect that these measures will improve the penetration of health insurance in the medium to long-term," said Subramanyam Brahmajoyula, head – underwriting & reinsurance, SBI General Insurance Company Limited.