Date: 07.10.2023	**Publication:** Business Standard
Page no: 10	**Edition:** All Editions
Headline :- Disclose lifestyle, health conditions to avoid denial of claim	

Disclose lifestyle, health conditions to avoid denial of claim

BINDISHA SARANG

A Bengaluru-based District Consumer Disputes Redressal Commission recently ruled that alcohol consumption cannot be a ground for rejecting a health insurance claim.

Increasingly, policyholders are taking insurance companies to consumer courts. According to a media report, there were over 161,000 insurance-related cases pending in consumer courts in 2022.

Chief causes of claim rejection

Policyholders must be aware of the most common reasons for claim rejection and avoid making those mistakes. Experts say the chief reason is customers providing incorrect information. Naval Goel, chief executive officer and founder, PolicyX.com, says: "This includes not disclosing your lifestyle habits, smoking and drinking patterns, and so on."

Even hiding or lying about past or present illnesses can result in a claim rejection. Amitabh Jain, chief operations officer, Star Health and Allied Insurance, says: "Non-disclosure of existing diseases at the time of purchasing the insurance policy is among the most common reasons."

Sometimes, customers make claims for diseases that have mandatory waiting periods or are permanently excluded from coverage. Jain adds that fraudulent claims made by policyholders or by hospitals in collusion with policyholders are another reason. A health insurance policy comes with a sum insured, which is the maximum amount up to which a customer can be reimbursed. Apaar Kasliwal, executive director, PolicyBoss, says: "Some policies specify sub-limits for ailments, which vary from one insurer to another. Be aware of these details, as a breach of these limits can result in claim rejection."

The insurance company might reject your claim if you do not pay your premiums on time. The same can happen if you file a claim a long time after you have undergone treatment. Goel says: "Inform the company about your hospitalisation immediately and file the claim within 15 days."

At times, an application for a claim may require the insured to provide additional documents within a specified time period.

Irdai's rule

The Insurance Regulatory and Development Authority of India (Irdai) has mandated that an insurer cannot deny a claim on the grounds of misinformation by the policyholder if the policy has been renewed for eight consecutive years. Goel says: "These eight years are known as the moratorium period. They are given to the insurer to verify information about the insured. After this period, a claim can only be rejected in case of a fraudulent claim or if the illness falls under policy exclusions."

WHAT TO DO WHEN A CLAIM GETS REJECTED

- Once a claim has been denied, the policyholder has the option to ask the insurer to reconsider
- The insurer must notify the customer via email two to three times about the claim denial, and then wait for three–four weeks for the policyholder to apply for reconsideration
- If the customer applies, the insurer can request extra documents for further verification
- If the additional information is not provided, the claim will get rejected once again
- If the customer doesn't apply, the window closes and the customer can't complain about the rejection

Source: PolicyX

YOUR MONEY

Exercise these precautions

A few proactive steps by the policyholder can reduce the chances of claim rejection. Bhaskar Nerurkar, head–health administration team, Bajaj Allianz General Insurance, says: "Be vigilant about the policy renewal date as most health insurance plans require annual renewal." Insurers usually provide a 15-day grace period for renewal.

Be completely honest while providing information about your health condition and pre-existing ailments. Nerurkar says: "If you acquire a new ailment during the policy term, inform the insurer about it at the time of renewal."

Kasliwal suggests availing of the complimentary annual health check-up provided by the insurer. This will ensure your insurer has complete knowledge of your health condition.

Rahul M Mishra, co-founder and director, Policy Ensure, says: "Maintain detailed records of all medical bills, prescriptions, and reports. These documents will be essential when filing a claim and can prevent rejection due to insufficient documentation."

Nerurkar suggests that whenever feasible, customers should opt for treatment at a network hospital. Not only will they be able to avail of the cashless facility and better rates, the claim settlement process will also be simpler.