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# Regulator's nod: Health insurance premium can now be paid every month or quarter

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THE INSURANCE Regulatory and Development Authority of India (IRDAI) has allowed general and standalone health insurance companies to collect premium in various frequencies or instalments — monthly, quarterly or half-yearly — without filing with the regulator. Health insurance

premium were earlier collected on an annual basis by companies.

In a circular issued to the CEOs of insurance firms, the IRDAI has allowed health insurers to effect a decrease in minimum and/ or increase in maximum premiums, and maximum entry age. Typically, the maximum age limit of health insurance policies filed is up to 65 years. But the insurer can in-

crease the limit beyond 65 years or as per maximum age filed.

"However, the insurer needs to inform the regulator on certification basis and all the marketing channels with reference to these changes and then make the product available. If the insurer intends to make additions in the product designed for specific illnesses — for example, adding the number of illness under critical without any

change in premium — it should be implemented after following the correct filing process with stakeholders," said Rashmi Nandargi, Head — Retail Health, Bajaj Allianz General Insurance.

Minor changes can be made in the policy document to bring in more clarity or transparency to help the insured understand the product offering better without making any changes in the

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## Premium

terms and conditions, Nandargi said.

The regulator has allowed additional distribution channels to be introduced for specific products on certification basis without waiting for the regulator's approval — with no changes to the terms and conditions. There is also a provision to change the premium by increasing or decreasing by 15 per cent depending on the loss-ratio range.

"Overall, the guidelines are a welcome change since they help in making the distribution of insurance products better and increase transparency in the product offering. The regulator has allowed the insurers with their previous experience to make changes in the product to help benefit the consumers. They have also made the implementing process faster for the insurer compared to the earlier, longer filing process," Nandargi said.

According to IRDAI, "There shall be no change in basic premium table and charging structure under the approved individual product to which new premium payment mode (frequency) is being added. Factors applicable, if any, to allow the change of premium payment mode (frequencies) shall be fair and reasonable."

It said: "The premium mode (frequency) proposed to be added may be monthly, quarterly or half-yearly and the resulting premium amounts under each mode (frequency) are consistent with premium amounts under other premium modes (frequencies) of the underlying product."

IRDAI said change of premium rates resulting in the increase should be only after expiry of three years from the date of launch of approved or modified individual product. "There

shall be a gap of at least three years from the date of change effected, before effecting any subsequent increase in the premium under these guidelines," it said.