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Now, pay insurance premiums in instalments

SURABHI

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In what will make health insurance more accessible and affordable, the Insurance Regulatory and Development Authority of India (IRDAI) has now permitted payment of premium in instalments, addition of critical illnesses, and changes in the entry age.

The IRDAI has issued a circular for minor modification in policies filed by general and standalone health insurers.

According to the norms, the premium mode can be

monthly, quarterly or half yearly, as well as annual, provided there is no change in the premium structure or charge.

It has also permitted change in the base premium rates of not more than 15 per cent of the approved rate, as well as addition of approved standalone riders, or additions to the approved individual health insurance products.

Insurers can now also add more critical illnesses and daycare procedures to the cover, as well as increase the maximum age limit from 65

years with permission from the regulator. Further, there is also the flexibility to add more distribution channels.

"Insurers may make one or more minor modifications..." the IRDAI said, adding that there should be a gap of at least 12 months between the two applications.

It also stressed that the modifications should not impact the benefit structure of the product, including the manner of settlement of the underlying benefits.

The minor modifications will be allowed on 'certifica-

tion' basis without having to go through the regular filing process.

Insurers hail move

Insurers have welcomed the move and said it will help increase penetration.

Rashmi Nandargi, Head, Retail Health, Travel and PA Underwriting, Bajaj Allianz General Insurance, said: "The recent guidelines shared by the IRDAI will definitely help in increasing the penetration and distribution of insurance products. These guidelines have also made the implementing process

faster for the insurers, compared to the earlier longer filing process."

Subramanyam Brahmasjyula, Head, Underwriting and Reinsurance, SBI General Insurance, also said this will enable insurers make modifications at short notice and introduce them in the market.

"For example, if a product has been performing well for an insurer and they decide to pass on the benefits by way of reduced premiums to the customer, this can now be done quickly," he said.