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[IRDAI issues norms for travel policies sold via portals](#)

Special Correspondent | Hyderabad , September 28, 2019 21:58 IST

Travel insurance policies sold through travel agencies, portals or offered under the group platform, need to specify the insurance company offering the cover, the premium collected towards the same, as well as the rate of applicable tax.

This is one of the many norms the Insurance Regulatory and Development Authority of India (IRDAI) has issued, presumably for greater disclosure by insurers and intermediaries, and towards better clarity for policyholders.

Besides this, the regulator has stipulated that in case of domestic travel, the premium should not be received more than 90 days in advance to the date of commencement of the risk covered or while purchasing the travel tickets, whichever is earlier.

Insurance covers towards overseas travel, however, can be issued at any time, IRDAI said in its circular on travel insurance products and operational matters to general and standalone health insurers.

‘No preselect option’

The regulator said insurers ought to ensure that the portal or app providing travel cover should not have a preselect option of buying the policy as a default option.

The prospective customer should be able to specifically choose whether or not to buy the cover. Further, an option to opt out or de-select before concluding the transaction needs to be provided.

Those buying a travel cover should be provided details such as the benefits, terms and conditions on the screen itself and give their consent in confirmation of having read and understood the terms and conditions.

The norms come into force with immediate effect. All group travel insurance arrangements not in compliance to the norms shall be terminated with effect from October 1, 2019, IRDAI said.

Though domestic travel insurance remains a small portion of the business, the new norms announced by IRDAI will benefit both the insured and the insurers, according to Gurdeep Singh Batra, Head – Retail, Underwriting of Bajaj Allianz General Insurance.

Noting that the changes come in the backdrop of the travel insurance business for the industry gaining momentum, he said the move of providing those booking tickets the option of whether they want the cover or not is a welcome step. The consumer, thus, will not only be aware of what he is buying, but also get to read the terms and conditions and agree to them. The norms will bring in greater transparency for the insured and insurer and also curb mis-selling, Mr. Batra said.