

IRDAI ISSUES NEW GUIDELINES ON STANDARDISATION OF EXCLUSIONS IN HEALTH INSURANCE

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Capital Market & SEBI

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Just like every year, this year as well several new insurance regulations have been notified and proposed in the health insurance industry. These new laws and guidelines consist of many much-required changes which when put together become a meaningful step forward for the betterment of policyholders. The regulations cover various important aspects of health insurance and an important framework for product innovation.

As per industry experts, to date, there was no standardization or pre-defined format of the exclusions in a standard health insurance policy. With new guidelines in place, all the exclusions in a health insurance cover will be completely standardized in accordance with the policy terms and conditions. Earlier, the exclusions in the health insurance coverage were not fixed across the insurer and widely varied from one insurer to another. This led to great confusion among the policyholders. However, the Insurance Regulatory and Development Authority of India has now defined a list of exclusions and moving forward only the listed ailments will be excluded from the health insurance policy. This means that now health insurance policy will be an all-inclusive product covering you for all possible health risks.

As per the IRDAI issued modification guidelines, age-related ailments like Knee-cap replacements, Cataract Surgery, Alzheimer's and Parkinson's, etc. which were earlier excluded from the health insurance policy will now be covered by the insurance company. Apart from this, permanent exclusions like any ailment occurring due to working in a hazardous place, artificial life maintenance, treatment of mental illness and internal congenital diseases will be all covered under a regular health insurance policy. Some other barred exclusions that will now be covered by your health insurance policy include adult behaviour and neurodevelopment disorders, puberty and menopause-related disorders and genetic diseases.

Talking about Pre-existing Diseases (PED), IRDAI has set new guidelines to define pre-existing diseases. As per the guidelines, any disease/s or ailment/s that is/are diagnosed by a physician 48 months prior to the issuance of the health cover will now be classified under PED. Moreover, any disease/s or ailment/s for which any type of medical advice or treatment was recommended by a qualified doctor 48 months prior to the issuance of the policy will also qualify under PED. Any other condition whose symptoms or signs have resulted in a serious disease within three months of the issuance of the policy will also be classified under Pre-existing Diseases.

These guidelines are believed to greatly benefit policyholders who have disclosed pre-existing conditions while buying the policy as now all health insurance policies will cover all pre-existing diseases after the waiting period of 48 months is over. Apart from PED, standardization of the health insurance policies will also increase the number of people opting for portability of health insurance. While porting a policy, the policyholder just needs to serve 48 months of the waiting period in total. If the waiting period is served with one insurer, the new insurer cannot impose a fresh waiting period.

As per the guidelines, insurers are free to put permanent exclusions on specified conditions provided due consent of the customer is taken. Also, treatments that require the use of some listed modern technology methods will also be covered. The regulator has advised all

The Health Insurance companies are directed to implement the changes from 1 st , October 2019 and update the suggested changes in existing products by 1 st Oct 2020.

(The writer is Head- Health Insurance, Policybazaar.com)

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