

Exposure Draft	
Ref:	Date: 19-02-2019
Draft Guidelines On Standardization Of Individual Health Product	
<p><u>Preface</u></p> <p>In order to make available a Standard Health Product across the industry, it is proposed to issue Guidelines for offering a Standard Health Product by all insurers doing General and Health Insurance Business. All General and Health insurers shall offer this Standard Health Product as proposed to be specified in these Guidelines.</p> <p>The Draft Guidelines proposed to be issued are attached herewith. All the stakeholders are requested to offer their suggestions, on the proposed Guidelines by 6th March, 2019, in the attached format. The suggestions may be mailed to Sri P Chandrasekhar (chandrasekhar.p@irda.gov.in), OSD, Health Department, IRDAI, Hyderabad.</p> <p style="text-align: right;">Executive Director (Health)</p> <p><u>A. Preamble:</u></p> <ol style="list-style-type: none"> As health products differ significantly with each other in terms of benefits offered, it is considered essential that the potential customers seeking health insurance shall have an access to the basic health insurance covers so as to enable them to choose the coverage based on the need. At times the prospective customers may have no option, but to choose a product which has embedded certain other covers whether or not such covers are needed. Therefore, in order to enable the prospective customers of health insurance market choose an appropriate health insurance coverage of their choice, all General and Health Insurers shall offer the Standard Individual Health Insurance Product (other than personal accident and travel covers)(hereafter referred as standard product) specified in these Guidelines. The Guidelines on Standard Health Product are issued under the provisions of Section 34 (1) (a) of Insurance Act, 	

1938.

3. This standard product shall have the basic mandatory covers as specified in these Guidelines which shall be uniform across the market. No additional add-ons or optional covers allowed to be proposed to offer along with the standard product.
4. It is specified that only the basic cover that is to be offered under the standard product is standardized.
5. The insurer may determine the price keeping in view the covers proposed to be offered subject to complying with the norms specified in the IRDAI (Health Insurance) Regulations, 2016 and Guidelines notified there under.
6. In order to incentivise early entry into health insurance by the young prospective policyholders of health insurance market, all General Insurers / Health Insurers offering the Standard Product shall devise pricing mechanism in such a way to incentivize the early entry of prospective policyholders, continued renewals and favourable claim experience. Such mechanism shall be disclosed upfront in the Prospectus and Policy Wordings duly complying with the applicable provisions of IRDAI (Health Insurance) Regulations, 2016 and norms specified in Guidelines on Product Filing in Health Insurance Business.
7. The proposed Standard Product shall be offered on indemnity basis only.
8. The standard Product shall comply with all the provisions of IRDAI (Health Insurance) Regulations, 2016, Guidelines on Standardization in Health Insurance (Ref: IRDA/HLT/REG/CIR/146/07/2016) dated 29th July, 2016 and Guidelines on Product Filing in Health Insurance Business (Ref: IRDA/HLT/REG/CIR/150/07/2016) dated 29th July, 2016 as amended from time to time.
9. The standard product shall be subject to standard exclusions, as may be specified by the Authority from time to time.
10. Every General and Health Insurer, who has been issued a Certificate of Registration to transact General or Health Insurance Business, shall mandatorily offer this product.

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B. Proposed Product Construct of Standard Health

Product: The Standard Health Product shall offer only the following mandatory covers.

11. **Hospitalization Expenses:** The Hospitalization expenses shall cover the following;

- a) Room, Boarding, Nursing Expenses all inclusive as provided by the Hospital / Nursing Home
- b) Surgeon, Anaesthetist, Medical Practitioner, Consultants, Specialist Fees whether paid directly to the treating doctor / surgeon or to the hospital
- c) Anaesthesia, blood, oxygen, operation theatre charges, surgical appliances, medicines and drugs, costs towards diagnostics, diagnostic imaging modalities, and such other similar expenses.

(Expenses on Hospitalization for a minimum period of 24 hours only are admissible. However, this time limit will of 24 hours shall not apply when the treatment does not require hospitalization as specified in the terms and conditions of policy contract, where the treatment is taken in the Hospital and the Insured is discharged on the same day.)

- d) Intensive Care Unit (**ICU**) / Intensive Cardiac Care Unit (**ICCU**) expenses
- e) Expenses incurred on treatment of Cataract subject to sub limits, if any, based on sum insured
- f) Dental treatment, necessitated due to an injury
- g) Plastic surgery, necessitated due to disease or injury
- h) Domiciliary Hospitalization

12. **AYUSH Treatment:** Expenses incurred on treatment under Ayurveda, Unani, Sidha and Homeopathy systems of medicines shall be covered subject to fixed and standard sub-limits based on Sum Insured.

13. **Pre-Hospitalization** medical expenses incurred for a period not less than 30 days prior to the date of hospitalization shall be admissible.

14. **Post Hospitalization** medical expenses incurred for a period of not less than 60 days from the date of discharge from the hospital towards Consultant fees, Diagnostic charges, Medicines and Drugs wherever required and

recommended by the Hospital / Medical Practitioner, where the treatment was taken, following an admissible claim shall be included.

15. **Wellness Incentives:** In order to promote and maintain wellness regime, it is considered essential that a wellness and preventive program that incentivises the targeted market segment to start living healthier shall also be incorporated. Accordingly, to enable the individuals to lead longer, healthier and more productive lives, the following wellness features shall be made available to all the insured persons by duly complying with the provisions of Regulation 19 of IRDAI (Health Insurance) Regulations, 2016 and the applicable guidelines notified thereunder.

i. Health Check-ups and Consultation services:

Under this cover, the insured person shall be made available an access to the health consultations across the network providers or other empanelled hospitals of the insurer, for getting periodic consultation of at least once in a policy year.

ii. Disease Management

Under this cover, every insured person shall be provided an access to the professional medical services for bettering the health profile. As part of post-hospitalization services follow up care shall be made available, as part of Disease Management. Insurers may also provide other suitable services under this programme.

iii. Fitness Activities:

Under this cover, insurers shall provide parametric indices based on fitness regime being followed by insured person, during the policy tenure and reward mechanism shall be designed so as to incentivize the policyholders to continue with the fitness regime.

iv. Outpatient consultations or treatments

Under this programme, insured person shall be provided services of outpatient consultations or treatments periodically or based on the pre-determined triggers contingent upon the health of the insured.

16. **Cumulative Bonus(CB):** Sum insured (excluding CB) shall be increased by 5% in respect of each claim free policy period (where no claims are reported), provided the policy is continuously renewed without a break subject to maximum of 50% of the sum insured (excluding CB accrued) under the current policy period.

17. No deductible features are permitted under the base cover.

18. A standard Co-Pay as specified under Section – D shall be offered.

C. Add-ons or Optional Covers : Add-ons or Optional Covers are not allowed to be attached to the base cover.

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D. Other Norms applicable:

Plan Variants	The standard covers shall be mandatorily covered under the standard product. No plan variants are allowed.
Distributions Channels	Standard product may be distributed across all distribution channels including Micro Insurance Agents, POS and CSC. The commission and remuneration payable shall be in accordance to the applicable regulatory framework governing the respective insurance agents or insurance intermediaries.
Family Floater	Standard product shall be offered on family floater basis also.
Category of Cover	Standard product shall be offered on indemnity basis, as a standalone product. It shall not be combined with Critical Illness Covers or Benefit Based covers.
Grace Period for premium payment	Standard product shall comply with Clause 15 of Chapter I of Guidelines on Standardization in Health Insurance and further such product shall comply with Regulation 2(i)(e) of HIR 2016 at the time of renewal of the policy. For Yearly payment of mode, a fixed period of 30 days is to be allowed as Grace Period and for all other modes of payment a fixed period of 15 days be allowed as grace period.
Basic Sum Insured	The minimum basic sum insured under standard product shall be Rs 50,000. Maximum limit shall be Rs 10 lacs.
Policy Period	Standard product shall comply with Regulation 3(c) of HIR 2016 in respect of policy term offered
Modes of premium payment	All the modes (Yly, Hly, Qly, Mly) shall be allowed for the standard product
Entry age	Minimum entry age shall be 18 years for principal insured and maximum age at entry shall be 65, complying to Regulation 12(i) of HIR 2016, along with lifelong renewability. There shall be no maximum exit age. Policy is subject to lifelong renewability. Dependent Child / children shall be covered from the age of 0 days to 25

	years.
Benefit Structure	The mandatory covers as specified in Para A above shall be offered invariably. These covers are to be referred as “Base Covers”. The benefit pay out under each cover should be explicitly disclosed in File and Use application(Form – IRDAI-FnU-HIP)along with other relevant documents.
Co-payment	5% of Co-pay shall be part of the product feature and it shall be explicitly disclosed in File & Use application (Form – IRDAI-FnU-HIP).
Underwriting	The insurer shall specify the non-medical limit and relevant details explicitly in File and Use Application form in respect of Standard Health Product.
Renewal	The Standard product shall specify the terms and conditions for Renewal duly complying with Regulation 13 of HIR, 2016
Free Look Period	The Standard Product shall have free look period complying with Regulation 14 of HIR 2016
Premium Loading and Discounts	The Standard Product shall comply with Regulation 25 of HIR 2016 in respect of loadings on Renewals.
Other Sections of F&U application	All the sections of File and Use application, as per Form-IRDAI-FnU-HIP shall apply mutatis mutandis to Standard Product.
Portability	The Standard Product shall comply with Portability provisions, as envisaged in Schedule I of HIR 2016

E: Proposed construct of Terms and Conditions for Standard Product:

19. The Policy Terms and Conditions of the Standard Product shall be divided into the following parts.
- i. Policy Schedule – Part-I: Policy Schedule shall be Part – I. Policy Schedule shall specify the eligible limits of sum insured as chosen by the policyholder for various base covers offered
 - ii. Definitions - Part-II: Definitions shall be in Part – II. All definitions, wherever applicable, shall comply with the standard definitions notified by the Authority.
 - iii. Benefit Design - Part-III: Benefit Design shall be in Part – III. Benefit design shall consist of the benefits offered and contingencies under which the policyholder is

entitled for various benefits covered under the policy. Benefit Design of the policy shall be presented with clarity and be specific.

- iv. Exclusions - Part-IV: Exclusions shall be subject to the Guidelines specified by IRDAI from time to time.
- v. Other Terms and Conditions - Part-V: All other applicable terms and conditions of the standard product shall be incorporated in this part.

F: Other Norms:

- 20. The nomenclature of the product shall be Standard Medclaim Policy, succeeded by name of insurance company, (Standard Medclaim Policy,). No other name is allowed in any of the documents.
- 21. The Proposal Form used for the product shall be subject to the norms specified under the Guidelines on Product Filing in Health Insurance.
- 22. The Standard Product may be offered as MICRO Insurance Product subject to Sum Insured limits specified in IRDAI(Micro Insurance) Regulations, 2015 and other circulars / guidelines issued in this regard by the Authority from time to time.

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