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Irdai for uniform standard health product

SUBRATA PANDA

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Insurance regulator Irdai has asked all non-life insurers (general and health) to offer a "Standard Health Insurance Product" as it is essential for customers to have access to a basic health cover that caters to their needs.

At present, health insurance products vary significantly with each other in terms of benefits offered.

"This standard product shall have the basic mandatory covers, which shall be uniform across the market. No additional add-ons or optional covers are allowed to be proposed to offer, along with the standard product," the insurance regulator said.

Rakesh Jain, CEO, Reliance General Insurance, said, "This is something that unites every insur-



COVERAGE TO INCLUDE...

Hospitalisation expenses: Nursing expenses, room charges, doctors' fees, medicine charges, ICU expenses, dental treatment, plastic surgery and others

Ayush treatment: Treatment under Ayurveda, Unani, Sidha and Homeopathy systems of medicines

Pre-hospitalisation expenses: Medical expenses incurred up to

30 days before hospitalisation

Post-hospitalisation expenses: Medical expenses incurred up to 60 days after discharge from hospital

Wellness incentives: Health check-ups, disease management, fitness activities, outpatient consultations or treatments

ance company to at least get a customer on board with a simple product. The biggest struggle in this environment has been to get a person to buy a health product. The struggle in India has been to attract young people to buy health covers."

The regulator has let non-life insurers determine the price of the product. However, they have to keep in view that the cover that has been proposed will have to comply with the norms specified under the Irdai (Health Insurance) Regulations, 2016.

"The coverage will be the same but the pricing will vary. All the insurance companies will be pricing it on experience," Jain added.

Moreover, the regulator has asked non-life insurers, who will be offering "Standard Health Insurance Product", to devise their price mech-

anism in a way that it incentivises the early entry of young prospective policyholders of the health insurance market. And they should also make sure that the pricing is done in a way that the youth make continued renewals and have a favourable claim experience.

The sum insured for the product will be in the range of ₹50,000-₹10 lakh. This will also be available across various channels, including micro insurance agents and common service centre.

Commenting on whether the existing health covers will remain in the market, Jain said, "This is a standard cover. Insurance companies having parallel covers should be more differentiated. So, the objective is not to say that insurance companies cannot have products with other features."