

Policyholders set to get periodic notices from insurance cos

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- **All insurers will have to notify key details relating to health insurance coverage available to policyholders periodically. They will have to comply with the instructions issued on 1 March at the earliest and not later than 1 June.**

The Insurance Regulatory and Development Authority of India (Irdai) has issued norms for sending periodic notices to policyholders to ensure continuity of the relationship and flow of information in a standard manner.

All insurers will have to notify key details relating to health insurance coverage available to policyholders periodically. They will have to comply with the instructions issued on 1 March at the earliest and not later than 1 June. Irdai norms apply to all individual (both indemnity and benefit-based) health policies.

"This will help policyholders remember the due dates of important policies. In our busy life, we tend to forget these crucial deadlines. These timely notifications will help customers," said Animesh Das, director - motor underwriting and actuary, ACKO Insurance. As part of policy servicing, insurers will have to communicate basic information about the health insurance policy to policyholders. These include the product name and policy number, the extent of coverage available by way of the available sum insured and cumulative bonus, number of insured people covered under the policy, policy period, number and amount of claim settled (under relevant period), balance sum insured, etc.

"It will help customers stay well-versed with their policy offerings and will also help in reducing the chances of policies getting lapsed," said Amit Chhabra, head - health insurance, Policybazaar.com. The information will also relate to the due date of renewal and premium payment frequency, the premium amount due on renewal (to be specified at the time of renewal), grace period (within five days after renewal due date) and contact details (for any query or other issues) of the customer support service.

The information shall be communicated by insurers to all policyholders twice a year, that is six months after the issuance of the policy and at least one month before the renewal due date. However, in the case of a multi-year policy, the information can be shared with a frequency of six months from the date of issuance of the policy, said the Irdai circular.

In the event of a settlement of any claim, the insurer shall also communicate the details of the balance sum insured along with the cumulative bonus available, if any. This shall be notified to the policyholders within 15 days of settlement of the claim. Neeraj Prakash, managing director, Shriram General Insurance, said that policyholders will become aware about the settlement of their claim, since the insurer shall also communicate the details of balance sum insured along with the cumulative bonus.