



Ref: IRDAI/HLT/REG/CIR/049/ 03/2021

16 March 2021

To

CEOs of all General and Standalone Health Insurance Companies

Sub: Modified guidelines on product filing in health insurance business

Reference is invited to the provisions of Chapter III of Consolidated Guidelines on Product filing in Health Insurance Business (Ref No: IRDAI/HLT/REG/CIR/194/07/2020 dated 22nd July,2020 (the guidelines) specifying the File and Use and Use and File Procedure in respect of various categories of individual Products or Add-ons or Riders of Health Insurance Business. In partial modification of these guidelines the following norms are specified.

1. Additional norms on modification of health products (including PA and Travel):

In addition to the norms specified at Clause (C) of Chapter-III of the guidelines, general and health insurers should adhere to the following norms while effecting modification of existing products.

- a. General and health insurers are not allowed to modify the existing benefits, add new benefits in the existing products which leads to imposing an increase in premium. However, it is clarified insurers are permitted to effect minor modifications as stipulated at Clause (G) of Chapter – III of consolidated guideline on product filing in health insurance business (Ref: IRDAI/HLT/REG/CIR/194/07/2020 dated 22.7.2020). Addition of new benefits / up-gradation of existing benefits may be offered as add-on covers or optional covers with a standalone premium rate to ensure an informed choice to the policyholders.
- b. Appointed Actuary should review the financial viability of every health insurance product at the end of every financial year in accordance to the provisions of Regulation 6 of IRDAI (Health Insurance) Regulations, 2016. The report of such review should be submitted to their Board through PMC along with the analysis of favorable or unfavorable experience of each product as well as recommended corrective action, to ensure sustainability of the product and to protect the interests of policyholders of the underlying product.

- c. A status report should be submitted by 30th September of every financial year to the Authority along with the Board's suggestions and the corrective actions to be taken in the format specified at Annexure – A of this circular. The status report for FY 2020-21 should be filed by 30th September, 2021.

2. Norms on Presentation of Policy Contract:

Reference is invited to the provisions of Clause 4 (viii) of Chapter II of the Guidelines wherein it is, inter alia, specified that the policy wordings must be simple using plain language. In order to enable all sections of policyholders easily understand the contents of policy contract, all insurers should arrange the policy contracts of all health insurance products in the following order with clear heading so as to draw the attention of policyholders. This format should be adopted in respect of all policies issued from 01 October, 2021 onwards.

- a. Policy Schedule
- b. Preamble
- c. Definitions (to be divided into the following parts with clear demarcation and sub title as under)
 - i. Standard Definitions (Definitions whose wordings are specified by IRDAI)
 - ii. Specific Definitions (Definitions other than those mentioned under c(i) above)
- d. Benefits covered under the policy
- e. Exclusions (to be divided into the following parts with clear demarcation and sub title as under)
 - i. Standard Exclusions (Exclusions for which standard wordings are specified by IRDAI)
 - ii. Specific Exclusions (Exclusions other than those mentioned under e(i) above).
- f. General Terms and Clauses (to be divided into the following parts with clear demarcation and sub title as under)
 - i. Standard General Terms and Clauses (General terms and clauses whose wordings are specified by IRDAI)
 - ii. Specific terms and clauses (terms and clauses other than those mentioned under f(i) above)
- g. Other terms and conditions

(Explanation: Customizing the policy contracts of the existing product in order to comply with the above format is not considered as modification.)

- h. The wordings of all the standard exclusions, standard terms and clauses and standard definitions used in the policy contract should comply with the wordings as specified by the Authority.
3. These guidelines are issued under the powers vested with Section 34 (1) of the Insurance Act, 1938 and under the powers vested in Regulation 2 (i) (o) of IRDAI (Health Insurance) Regulations, 2016.
4. These guidelines will come in to force as mentioned in the respective sections above.
5. All products that are already filed with the Authority as per the applicable regulatory framework and are under consideration should be reviewed as per the then prevailing norms.
6. This has the approval of the competent authority.

(DVS Ramesh)

General Manager (Health)

Annexure - A

Product performance review and status report as at 31st March, ----

Name of the Insurer:

The performance of the following products that are marketed by the company are reviewed by PMC on dd/mm/yyyy and placed before the Board of the company on dd/mm/yyyy. The performance of the products and corrective actions suggested by the Board along with the timelines before when the action may be taken by the company are reported hereunder.

Sl No.	
Name of the Product	
UIN	
Line of Business (Health – Indemnity / Health – Benefit Based / PA/ D Travel / O Travel)	
Date of initial launch	
Business during FY under review – No of lives covered	
Business during FY under review – Gross premium underwritten	
Incurred Claims Ratio of the product during FY (N)	
Incurred Claims Ratio of the product during preceding FY (N-1)	
Incurred Claims Ratio of the product two years prior to the current FY (N-2)	
Combined Loss Ratio of the product during FY (N)	
Combined Loss Ratio of the product during preceding FY (N-1)	
Combined Loss Ratio of the product two years prior to the current FY (N-2)	
Where spread between ICR and CLR is more than 30% in the current FY, reasons therefor.	
Suggestions of the Board and corrective measures to be taken	
Timelines by when corrective measures may be taken	

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Note: The data submitted through this format should match with the data submitted by insurers through HIR-1 annual health return.

It is certified that the above information is correct.

Place:

Date:

Signature of Appointed Actuary

Signature of CMD / CEO / Principal Officer (in case the office of appointed actuary
is vacant)