

Item No. 18

DRAFT IRDAI (HEALTH INSURANCE) (AMENDMENT) REGULATIONS, 2019

Background:

Insurance Regulatory and Development Authority (Health Insurance) Regulations 2016 [HIR, 2016] were notified on 12th July 2016. Subsequently, certain clarifications on HIR 2016 were issued vide Circular Ref no IRDA/HLT/REG/CIR/005/01/2017 dated 10th January 2017. For effecting the above mentioned clarifications into the Regulations, to bring certain enabling provisions for issuing Guidelines and to carry out certain modifications, it is proposed to amend the HIR, 2016.

Accordingly, in principle approval of the Authority had been sought in the 105th Board meeting held on 21st June, 2019 to modify the HIR, 2016.

The following modifications are proposed through the Amendment Regulations:

1. Regulation 2 (i) (m) and 2(i)(p) definitions of “portability” and “Third Party Administrators” are omitted:

Definition of “Portability” at Regulation 2(i)(m) is omitted to review and shift this definition to Chapter I – Standard Definitions of IRDAI “Guidelines on Standardization in Health Insurance” issued vide Circular ref IRDA/HLT/REG/CIR/146/07/2016 dated 29th July 2016. (Clause 2(a)).

Definition of the “Third Party Administrators or TPA” is omitted as it is already defined under IRDAI (Third Party Administrators – Health Services) Regulations 2016. (Clause 2(b)).

2. Certain provisions on “Norms on settlement of Claims under multiple policies” which were already in existence by virtue of Circular dated 10th January, 2017 are proposed to be subsumed into the Regulations. (Clause 2(l)).
3. Certain provisions clarifying on the following are now inserted:
 - i. Applicability of migration to only indemnity based policies (Clause 2(g)).
 - ii. Reimbursements shall be allowed at any hospital or medical establishments subject to policy terms and conditions (Clause 2(n)).

- iii. Seeking specific consent while charging underwriting loading, if any, over and above the approved premium at the point of underwriting was specified at Regulation 23(i) under Special provisions for Senior Citizens, now this is shifted to Regulation 8 so as to make it applicable to all. (Clause 2(d) and clause 2(k))
4. Existing provisions on (i) “AYUSH Coverage” and (ii) “norms on Wellness and Preventive features” are proposed to be issued in the form of Guidelines; hence the granular details that are specified in the extant Regulations are omitted and enabling provisions for issuing Guidelines are incorporated. (Clause 2(c), Clause 2(i) and 2(j)).
5. Enabling provisions are proposed to be incorporated in the Regulation to issue Guidelines on the following:
 - (i) Standard product (Clause 2(e))
 - (ii) Standardization of exclusions (Clause 2(e))
 - (iii) Settlement of claims (Clause 2(m))
 - (iv) Settlement of claims through electronic platforms (Clause 2(o))
 - (v) Portability and migration norms - Consequently existing norms under Clause 16 of Schedule I to be substituted and new norm to be incorporated under Regulation 17 (Clause 2(h) & (q)).
6. A new provision is proposed to be incorporated not to collect premiums more than 90 days in advance. (Clause 2(f)).
7. Following clarifications are proposed to improve clarity at Clause 14 of Schedule I of the HIR 2016 on Portability norms:
 - a. At clause 12 it is specified that fresh underwriting at the time of Portability is allowed. However, at Clause 14 it is specified that any loadings are not allowed at the time of portability. This term “loading” which is misplaced and inconsistent is proposed to be omitted. (Clause 2(p)).
8. Proposed modifications referred to above:
 - (1) are in the nature of improving consistency/clarity,
 - (2) are already in place in the form of circular,
 - (3) and (7) are clarificatory in nature,
 - (4) and (5) are incorporated as enabling provisions in order to issue guidelines on the said matters.
 - (6) Is a new provision allowing insurers to collect premium not more than 90 days in advance proposed to specify to enhance clarity.
9. As the proposed amendments are in the nature of removing inconsistencies, enhancing clarity, incorporating enabling provisions for issuing guidelines and subsuming the circular already in vogue, the proposal is directly placed before IAC.

10. The proposed draft regulations were placed in the meeting of Insurance Advisory Council held on 25th September, 2019. The following comments / suggestions were made.

- a) Further guidelines on settlement of claims is required in order to address the problems faced by policyholders of multiple policies getting cashless authorization simultaneously.
- b) On the proposed Clause 3 (m) (now renumbered as 2 (m)) it was suggested to specify that this enabling provision will supplement existing sub regulations.

11. Above suggestions were effected in the proposed amendment regulations.

12. Proposed amendment Regulations are attached as **Annexure – 1**.

13. A comparative statement of the existing regulatory provisions and the proposed provisions along with the rationale is attached as **Annexure – 2**.

14. Copy of the Circular ref IRDA/HLT/REG/CIR/005/01/2017 dated 10th January 2017 is attached as **Annexure – 3**.

Placed for the approval of the Authority.