

Item No. 15

Offering short term Health Insurance Policies by Insurers

1. The Authority in 108th meeting authorized Chairman IRDAI to issue suitable guidelines in public interest to offer short term health insurance policies. **The Agenda note is attached for ready reference.**
2. Accordingly, guidelines dated 23rd June,2020 were issued introducing short term health insurance policies providing coverage for COVID-19. **Guidelines dated 23rd June,2020 are attached for ready reference.**
3. These Guidelines were valid for issuance of short term policies up to 31st March,2021. Subsequently, Chairman IRDAI allowed sale and renewal of short term Covid specific health insurance policies till 30th September,2021. Accordingly, circular dated 24th March,2021 was issued permitting insurers to offer and renew Covid specific health insurance policies till 30th September,2021. **Circular dated 24th March,2021 is attached for ready reference.**
4. As the Covid pandemic is still prevalent and there are apprehensions of a possible third wave, Authority may permit all the insurers to offer short term Covid specific policies up to 31st March,2022.

Submitted for approval of the Authority.

Agenda Note on permitting insurers offer short term health insurance policies
- For approval of the Authority

Background:

Insurance Regulatory and Development Authority (Health Insurance) Regulations 2016 [HIR, 2016] were notified on 12th July 2016. Subsequently, IRDAI (Health Insurance) (Amendment) Regulations, 2019 were notified on 19th November, 2019.

1. As per the existing provisions of Regulation 3 of HIR, 2016 general and health insurers are allowed to design individual health insurance products for a term of one year to three years. In case of group health policies general and health insurers are allowed to offer for a term of one year, but in case of credit linked group health insurance policies general and health insurers are allowed to offer policies for a term up to the loan period not exceeding five years. Life insurers are permitted to offer health insurance products with a term of 5 years or more.
2. The above provisions are coming in way in allowing all insurers offer health insurance products for short term (less than twelve months) for specific diseases.
3. The amendment to the Regulations is a long drawn out process. As short term health insurance policies offering coverage for COVID-19 is the need of the hour.
4. Hence, it may be beneficial to the society if General and Stand Alone Health insurers are allowed to offer short term benefit based and indemnity based COVID-19 specific health policies.
5. The Authority is also proposing to release a standard benefit based product and another standard indemnity based product for a duration of 3/6/12 months for the convenience of the insuring public.
6. Therefore, in order to allow insurers to offer health policies for short term offering cover exclusively to COVID – 19 as proposed above, it is proposed to issue suitable guidelines.
7. The Authority may authorise Chairman to issue suitable guidelines in public interest.



Ref: IRDAI / HLT/ REG / CIR / 156 / 06 / 2020

23rd June, 2020

To

All Insurers (Except ECGC, AIC)

Sub: Guidelines on introduction of short term health insurance policies providing coverage for COVID-19 disease

1. Reference is drawn to IRDAI circular vide ref. IRDAI/HLT/REG/CIR/054/03/2020 dated 04th March, 2020 advising the general and health insurers to design need based products covering costs of treatment of corona virus (COVID-19) disease.
2. With an objective of making available insurance protection to various sections of people in the prevailing COVID-19 pandemic, it is considered that short term health insurance policies providing coverages specific to COVID-19 disease is the need of the hour. Accordingly, all insurers (Life, General and Health Insurers) are allowed to offer COVID – 19 specific short term health insurance policies subject to these guidelines.
3. Short term health policy for the purpose of these guidelines means any health insurance policy contract which has been issued for a policy term of less than 12 months.
4. Notwithstanding the provisions of regulation 3 (b), 3(c) and 3(d) of IRDAI (Health Insurance) Regulations, 2016, the life, the general and health insurers are permitted to devise need based, short term health insurance policies providing coverages specific to COVID-19 disease, subject to the following conditions.
 - i) Short term health insurance policies are permitted to be devised offering health insurance cover specific to only COVID-19.
 - ii) Short term policies are permitted to be offered both as individual or group products.
 - iii) Short term policies may be issued for a minimum term of three months to a maximum term of eleven months. In between three months and eleven months, the policy term shall be in multiples of completed months.
 - iv) A policy term less than three months is not permitted.



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- v) Where the term of policy is fixed as 12 months, the same is not considered as short term health policy.
 - vi) Optional covers that enhance the health insurance coverage are permitted to be offered for the same policy duration.
 - vii) No separate add-ons are permitted.
 - viii) Insurers are advised to devise inclusive short term health insurance products. Where waiting periods are part of the product, such waiting period shall not exceed fifteen days.
 - ix) In light of the provisions of Regulation 3 (b) of IRDAI (Health Insurance) Regulations, 2016 life insurers are permitted to offer only benefit based short term health insurance policies.
 - x) General and Health Insurers are permitted to offer both indemnity based and benefit based short term health insurance policies.
 - xi) Lifelong renewability, migration and portability stipulated under Regulation 13 and 17 of IRDAI (Health Insurance) Regulations, 2016 respectively are not applicable to the short term health policies offered by general and health insurers.
 - xii) Insurers shall ensure that short term health insurance products comply with the norms on pricing stipulated in IRDAI (Health Insurance) Regulations, 2016 and Guidelines on Product Filing in Health Insurance Business (Ref: IRDA/HLT/REG/CIR/150/07/2016) dated 29th July, 2016.
 - xiii) Short term health insurance products shall be filed as per Chapter III (File and Use Procedure) of Guidelines on Product Filing in Health Insurance Business (Ref: IRDA/HLT/REG/CIR/150/07/2016) dated 29th July, 2016 and shall be launched only after prior approval of the Authority.
5. These guidelines will remain valid for issue of short term policies till 31st March, 2021 unless extended further.
6. These guidelines are issued under the powers vested in Section 34 (1) of Insurance Act, 1938.
7. This has the approval of the competent authority.

(D V S Ramesh)
General Manager (Health)

CIRCULAR

Ref. No: IRDAI/HLT/REG/CIR/061/03/2021

24th March, 2021

To

All Life, General and Stand Alone Health Insurers (Except AIC and ECGC)

Re: Extension of timelines for sale and renewal of short term Covid specific health insurance policies

1. Reference is invited to the short term Covid specific health insurance policies permitted to be offered by all Insurers.
2. In partial modification of Clause 5 of Guidelines on introduction of short term health insurance policies providing coverage for COVID-19 specific diseases of Circular ref.no: IRDAI/HLT/REG/CIR/156/06/2020 dated 23.06.2020 all insurers are permitted to offer and renew short term Covid specific health policies up to 30.9.2021.
3. Accordingly, Corona Kavach Policies offered as per Guidelines on Covid Standard Indemnity based Health Policy of Circular ref no. IRDAI/HLT/REG/CIR/163/06/2020 dated 26.09.2020 and Corona Rakshak Policies offered as per Guidelines on Covid Standard benefit based Health Policy of Circular ref no. IRDAI/HLT/REG/CIR/164/06/2020 dated 26.06.2020 are permitted to be offered and renewed by all insurers up to 30.9.2021.
4. All other terms and conditions remain valid as specified under the respective guidelines.
5. This has the approval of competent authority.

Sd/-
(DVS RAMESH)
GENERAL MANAGER (Health)