



बीमा विनियामक और विकास प्राधिकरण
**INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY**

CIRCULAR

Ref: IRDA/HLT/MISC/CIR/209/09/2011

September 9th 2011

TO ALL NON LIFE INSURERS

Re: Health Insurance Portability

The IRDA, vide circular dated February 10, 2011, had issued guidelines on portability of health insurance policies which was to be introduced from 1st July 2011. Subsequently, on 24th June 2011, it was felt necessary to put in place a system to enable collection of data on the history of health insurance and monitoring the transfer of records of the porting policy holder. In that context, it was decided that the implementation of portability of health insurance policies would be mandated to commence no later than 1st October 2011. In continuation of the above guidelines, the detailed procedure on health insurance portability shall be as set out in these guidelines.

1. In these guidelines, the following terms shall carry the meanings as assigned to them.
 - 1.1 Portability: Portability means the right accorded to an individual health insurance policyholder (including family cover) to transfer the credit gained by the insured for pre-existing conditions and time bound exclusions if the policyholder chooses to switch from one insurer to another insurer or from one plan to another plan of the same insurer, provided the previous policy has been maintained without any break.
 - 1.2 Break in policy: A break in policy occurs when the premium due on a given policy is not paid on or before the premium renewal date or within 30 days thereof.



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2. All policyholders are hereby vested with the right of portability, i.e., policyholders have the right to purchase a Health Insurance Policy from another insurer from amongst the products such insurer is marketing and the right will be limited to transfer of the period gained in the existing policy (ies) which would account towards PEDs and the time-bound exclusions of the new policy.

3. A policyholder desirous of porting his policy to another insurance company shall apply to such insurance company at least 45 days before the premium renewal date of his/her existing policy.

3.1. The Insurer may not be liable to offer portability if policyholder fails to approach the new insurer at least 45 days before the premium renewal date.

3.2. The insurer may consider a proposal for portability even if the policyholder fails to approach the insurer at least 45 days before the renewal date, it may be free to do so.

3.3. Where the outcome of acceptance of portability is still waiting from the new insurer on the date of renewal:

3.3.1 the existing policy shall be allowed to extend, if requested by the policyholder, for the short period by accepting a pro- rate premium for such short period, which shall be of at least one month and

3.3.2 shall not cancel existing policy until such time a confirmed policy from new insurer is received or at the specific written request of the insured

3.3.3 the new insurer, in all such cases, shall reckon the date of the commencement of risk to match with date of expiry of the short period, wherever relevant.



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3.3.4 if for any reason the insured intends to continue the policy further with the existing insurer, it shall be allowed to continue by charging a regular premium and without imposing any new condition.

4. On receipt of an application for porting, the insurance company shall furnish the applicant, the Portability Form as set out in Annexure 'A' to these guidelines together with a proposal form and relevant product literature on the various health insurance products which could be offered.

5. The policyholder shall fill in the portability form along with proposal form and submit the same to the insurance company.

6. On receipt of the Portability Form, the insurance company shall address the existing insurance company seeking necessary details of medical history and claim history of the concerned policyholder. This shall be done through the web portal of the IRDA within 7 working days of the receipt of the Portability form.

7. The insurance company receiving from another insurance company a request for relevant data shall furnish the requisite data in the data format for porting insurance policies prescribed in the web portal of IRDA within 7 working days of the receipt of the request.

8. On receipt of the data from the existing insurance company, the new insurance company may underwrite the proposal in accordance with its underwriting policy as filed by the company with the Authority in accordance with clause 6 of IRDA Form R2 of IRDA (Registration of Indian Insurance Companies) Regulations, 2000 and clause 14-15 of F&U Guidelines (circular no. 021/IRDA/F&U/Sep. 06 dated 28th September 2006), and convey its decision to the policyholder in accordance with the Regulation 4 (6) of the IRDA (Protection of Policyholders' interest) Regulations, 2002.



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9. If on receipt of complete information and data within the above time frame, the insurance company does not communicate its decision to the requesting policyholder within 15 days then the insurance company shall not retain the right to reject such proposal and shall have to accept the proposal.

10. Portability shall be allowed in the following cases:

10.1 All individual health insurance policies issued by non-life insurance companies including family floater policies

10.2 Individual members, including the family members covered under any group health insurance policy of a non-life insurance company shall have the right to migrate from such a group policy to an individual health insurance policy or a family floater policy with the same insurer. One year thereafter, he/she shall be accorded the right mentioned in 10.1 above.

11. For any health insurance policy, waiting period with respect to pre-existing diseases and time bound exclusions shall be taken into account as follows:-

S. No	No of years of continuous insurance cover with previous insurer (s)	Waiting period to be served with new insurer in number of days/years				
		YY Days	1 Year	2 years	3 years	4 years
I.	XX Days at inception (XX-no of days as per the policy document)	(YY-XX) Days	N/A	N/A	N/A	N/A
II.	For 1 year period exclusion:					
	1 year	N/A	Nil	1 Year	2 Years	3 Years
III.	For 2 year period exclusion:					
	1 year	N/A	Nil	1 Year	2 Years	3 Years
	2 years	N/A	Nil	Nil	1 Year	2 Years
IV.	For 3 year period exclusion:					



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	1 year	N/A	Nil	1 Year	2 Years	3 Years
	2 years	N/A	Nil	Nil	1 Year	2 Years
	3 years	N/A	Nil	Nil	Nil	1 Year
V.	For 4 year period exclusion:					
	1 year	N/A	Nil	1 Year	2 Years	3 Years
	2 years	N/A	Nil	Nil	1 Year	2 Years
	3 years	N/A	Nil	Nil	Nil	1 Year
	4 years	N/A	Nil	Nil	Nil	Nil

Note 1: In case the waiting period for a certain disease or treatment in the new policy is longer than that in the earlier policy for the same disease or treatment, the additional waiting period should be clearly explained to the incoming policy holder in the portability form to be submitted by the porting policyholder.

Note 2: For group health insurance policies, the individual member's shall be given credit as per the table above based on the number of years of continuous insurance cover, irrespective of, whether the previous policy had any pre-existing disease exclusion/time bound exclusions

12. The portability shall be applicable to the sum insured under the previous policy and also to an enhanced sum insured, if requested by the insured, to the extent of cumulative bonus acquired from the previous insurer(s) under the previous policies.

For e.g. - If a person had a SI of RS 2lakhs and accrued bonus of Rs 50, 000 with insurer A; when he shifts to insurer B and the proposal is accepted, insurer B has to offer him SI of Rs 2.50lakhs by charging the premium applicable for Rs 2.50lakhs. If insurer B has no product for Rs 2.50lakhs, insurer B would offer the nearest higher slab say Rs 3lakhs to insured by charging premium applicable for Rs 3lakhs SI .However, portability would be available only up to Rs 2.50lakhs.

ENC. PORTABILITY FORM

(J. Hari Narayan)
Chairman



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Portability Form

Part-I

1)	Name of the Policyholder / insured (s)	
2)	Date of Birth/Age	
3)	Address of the policyholder/insured	
4)	Details of existing insurer	
	i. Name of the product	
	ii. Sum Insured	
	iii. Cumulative Bonus	
	iv. Add-ons/riders taken	
	v. Policy number	
5)	Details of the proposed insurance	
	i. Name of the product proposed/intend to take	
	ii. Sum Insured Proposed	
	iii. Whether Cumulative Bonus to be converted to an enhanced sum insured	
6)	Reason(s) for Portability	
7)	No. of family members to be included in the policy to be ported:	
Enclosure: Photocopy of the existing policy documents		
Date:		Signature of the policyholder



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PART –II

1. Whether the PED exclusions / time bound exclusion have longer exclusion period than the existing policy: (Please indicate Yes / NO):
2. If yes, please give written consent to the declaration below:

"I am aware that the waiting period for the following disease(s)/treatment(s) is days/years more than the previous policy terms. I hereby agree to observe the additional waiting period for the following disease(s)/treatment(s)

Signature of the policyholder