

Ref: IRDAI / HLT/ REG / CIR / 298 / 12 / 2020

28th December,2020.

To

All Insurers

Sub: Disclosure of benefit/premium illustration for Health insurance policies issued on floater basis.

1. Reference is drawn to clause 5 of Chapter-II of Consolidated Guidelines on Product filing in Health Insurance Business (Ref: IRDAI/HLT/REG/CIR/194/07/2020 dated 22.07.2020) stipulating mandatory disclosures in the prospectus of health insurance products and to clause 6 specifying Customer Information Sheet.
2. In addition to the norms already stipulated, in respect of every health insurance product offering individual and family floater options, the benefit illustration as specified under Annexure-A with the indicative ages / sum insured, shall be provided. This is to bring out clear distinction between availability of coverage under family floater basis and on individual basis vis-à-vis the premium payable.
3. Based on product construct and as per the eligible parameters of members of the family to be covered, the indicative ages shall be selected from all of the following age bands:
 - a) 20 or less
 - b) 21-30
 - c) 31-40
 - d) 41-50
 - e) 51-60
 - f) 61-65
 - g) 66 or more

Note: Where it is not possible to present the illustration considering coverage of all the indicative ages under a single policy as per the product design, insurers shall present two separate illustrations covering as many number of age bands, as possible.

4. The benefit illustration, as specified, shall be made part of the prospectus or sales literature of the product under clause 5 of Chapter-II of Consolidated Guidelines on Product filing in Health Insurance Business (Ref: IRDAI/HLT/REG/CIR/194/07/2020 dated 22.07.2020). It shall also be attached to the customer information sheet specified at Clause 6 read with Schedule-2 of Consolidated Guidelines on Product filing in Health Insurance Business dated 22.07.2020 and shall be accompanied with the policy contract.
5. Insurers shall also provide customized benefit illustration in the format specified at Annexure-A in their websites so as to enable the customers to make out the difference while opting for coverage where
 - a) each member of the family is issued an individual policy separately, at a single point in time or
 - b) multiple members are covered under a single policy with sum insured available separately for each member under a family plan or
 - c) multiple members of the family are covered under a single policy with sum insured available for the entire family, on floater basis; as may be the case.
6. Insurers are required to adopt the above norms on or before 1st April, 2021 without fail.
7. These norms are issued in exercise of the powers vested under Section 34(1) of the Insurance Act, 1938 read with Regulation 2(i)(g) of IRDAI (Health Insurance) Regulations, 2016.
8. This has approval of the competent authority.

Sd/-

(D V S Ramesh)

General Manager (Health)

Annexure-A

Benefit Illustration in respect of policies offered on individual and family floater basis

Age of the members insured	Coverage opted on individual basis covering each member of the family separately (at a single point in time)		Coverage opted on individual basis covering multiple members of the family under a single policy (Sum insured is available for each member of the family)				Coverage opted on family floater basis with overall Sum insured (Only one sum insured is available for the entire family)			
	Premium (Rs.)	Sum insured (Rs.)	Premium (Rs.)	Discount, if any	Premium after discount (Rs.)	Sum insured (Rs.)	Premium or consolidated premium for all members of family (Rs.)	Floater discount, if any	Premium after discount (Rs.)	Sum insured (Rs.)
Total Premium for all members of the family is Rs. _____, when each member is covered separately. Sum insured available for each individual is Rs. _____.			Total Premium for all members of the family is Rs. _____, when they are covered under a single policy. Sum insured available for each family member is Rs. _____.				Total Premium when policy is opted on floater basis is Rs. _____. Sum insured of Rs. _____ is available for the entire family.			

Note: Premium rates specified in the above illustration shall be standard premium rates without considering any loading. Also, the premium rates shall be exclusive of taxes applicable.