भारतीय बीमा विनियामक और विकास प्राधिकरण
INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY OF INDIA

Ref. No: IRDAI/HLT/GDL/CIR/144 /09/2018

05th September, 2018

To

CMDs / CEOs of all General / Stand Alone Health Insurance Companies,

Re: Extension of Grace Period and conversion of deposits into Health Insurance Policies in the flood affected State of Kerala and Districts of Karnataka

Due to recent heavy rains and floods in the State of Kerala and parts of Karnataka as normal life has been severely affected, policyholders may be facing difficulties in payment of renewal premiums in time. As per the extant guidelines policyholders are entitled to continuity of benefits if renewal premium is paid within grace period. In order to ensure that the policyholders are not denied continuity of benefits in the event of delay in payment of renewal premium beyond the grace period the Insurers are instructed as under.

General and Health Insurers are advised to grant 60 days grace period in respect of all health insurance policies due for renewal up to 30th September, 2018 in the State of Kerala and flood affected districts in the state of Karnataka. While extending the grace period, insurers shall comply with Clause (15) of Chapter I of Guidelines on Standardization in Health Insurance (Ref: IRDAI/HLT/REG/CIR/146/07/2016, dated 29.07.2016) for such extended period so as, to protect the continuity of benefits as specified therein. Where the policies are due for renewal during the extended grace period, all the insurers are advised to ensure compliance to Regulation 2(i)(e) of IRDAI (Health Insurance) Regulation, 2016. However, insurance companies are advised to give wide publicity to the fact that during the interregnum, that is, between the expiry of the existing policy and the date of renewal, coverage is not available and hence policyholders are encouraged to renew the policy without delay.

Further, in respect of deposits / premiums collected for issue of health insurance policies during the period of August, 2018, where such deposits/premiums collected could not be converted to policies within the stipulated time as prescribed in Regulation

8 (6) of IRDAI (Protection of Policyholders' Interests) Regulations, 2017, Insurers are allowed to convert such deposits into policies by 30th September, 2018. Where the premium collected is not converted to policies by 30thSeptember, 2018, such premiums shall be refunded by duly complying with Regulation 8(7) of IRDAI (Protection of Policyholders' Interest) Regulations, 2017.

This circular is issued in exercise of the power vested with the Authority under Section 14(2)(b) of the IRDA Act, 1999.

(D V S Ramesh)
General Manager (Health)