



Ref No: IRDA/HLT/CIR/MISC/151/09/2019

20<sup>th</sup> September, 2019

All CEOs of General and Stand Alone Health Insurance Companies

**Re: Guidelines on Filing of Minor Modifications in the approved Individual Insurance Products offered by General and Stand Alone Health Insurers on Certification Basis.**

A) Reference is drawn to Chapter III of Guidelines on Product Filing in Health Insurance Business (Ref: IRDA/HLT/REG/CIR/150/07/2016) dated 29<sup>th</sup> July, 2016, (hereafter referred as Guidelines on Product Filing) which specifies modification in terms and conditions of products under File and Use (applicable to Life, General and Health Insurers). Where Insurers require to carry out *minor modifications* in the approved individual insurance products, riders or Add-ons (hereafter referred as '*approved individual products*'), it is proposed to permit the Insurers to effect the minor modifications, on certification basis subject to complying these Guidelines.

B) These Guidelines are issued under the powers vested in Section 34 (1) of Insurance Act, 1938 read with Regulation 2(i)(g) read with Regulation 2 (i)(o) of IRDAI (Health Insurance) Regulations, 2016.

C) These Guidelines are applicable to the approved individual products of Health Insurance Business as defined in Section 2 (6C) of Insurance Act, 1938 offered by General and Health Insurers.

1. Minor Modifications allowed on Certification Basis: The following minor modifications are allowed on Certification Basis in accordance to the Guidelines prescribed herein.

- 1.1 Addition of premium payment options (frequency / payment of premiums in instalments).
- 1.2 Addition of distribution channels.
- 1.3 Change in the base premium rates, not exceeding + or – 15% of the premium rates of originally approved individual product.
- 1.4 Addition of approved standalone riders or add-ons to the approved individual health insurance products.
- 1.5 Minor Changes in Policy Wordings.

- 1.6 Change in the name of the approved product subject to complying with the provisions of Clause (4) (xii) of Chapter – II of Guidelines on Product Filing.
  - 1.7 Change in sum insured options made available to policyholder within the sum insured range filed.
  - 1.8 Decrease in minimum and / or increase in maximum premiums.
  - 1.9 Decrease in minimum and / or increase in maximum entry age.
  - 1.10 Extension of premium table to provide premium rates for lower and / or higher ages or longer and / or shorter policy terms or premium payment terms.
  - 1.11 Expansion of the list of day care procedures to be offered.
  - 1.12 Addition of Critical Illnesses covered under benefit based products.
2. Insurers may make one or more minor modifications referred to above on Certification Basis subject to complying with these Guidelines. The modifications referred herein shall be filed in FORM-IRDAI-FNU-HIP prescribed at Annexure – 1 of the Guidelines on Product Filing.
3. General Norms to be satisfied: Minor Modifications specified in Clause (1) above can be made only if all norms mentioned below are satisfied:
- 3.1 The proposed modifications shall not impact the benefit structure of the product including the manner of settlement of the underlying benefits.
  - 3.2 The premium rates, terms and conditions under the modified product continue to be workable and sound, the assumptions are reasonable.
  - 3.3 The premium rates under modified individual product are equitable amongst policyholders of different distribution channels.
  - 3.4 Insurers shall not impose afresh any deductible, co-pay or sub-limits.
  - 3.5 There shall be no change in the wordings of exclusions or time bound waiting periods of the underlying approved individual product.
  - 3.6 The policy document, the prospectus and all other sales literature or insurance advertisements shall duly reflect the modifications made from the date of launch of the modified version of the product.
  - 3.7 Except to the extent required to reflect the minor modifications effected, there shall be no other changes in the terms and conditions and the premium rate table of the approved individual product.
  - 3.8 Any modification proposed under these Guidelines shall be subject to the provisions of IRDAI (Health Insurance) Regulations, 2016 as modified from time to time and the extant applicable regulatory framework.





3.9 There shall be a gap of at least 12 months between two applications (FORM-IRDAI-FNU-HIP) filed for effecting minor modifications under these Guidelines.

4. Specific norms to be satisfied under each modification: The following are the specific norms to be satisfied under each minor modification specified under Clauses 1.1 to 1.12 above:

4.1 Addition of premium payment modes (frequencies) under Clause 1.1 above:

4.1.1 There shall be no change in basic premium table and charging structure under the approved individual product to which new premium payment mode (frequency) is being added. Factors applicable, if any, to allow the change of premium payment mode (frequencies) shall be fair and reasonable.

4.1.2. The premium mode (frequency) proposed to be added may be monthly, quarterly or half yearly and the resulting premium amounts under each mode (frequency) are consistent with premium amounts under other premium modes (frequencies) of the underlying product.

4.1.3. The basis for arriving at the factors, if any, to be applied on the premium payment modes / frequencies proposed to be added or removed is disclosed in the prescribed Form (FORM-IRDAI-FNU-HIP).

4.2 Addition of distribution channels, under Clause 1.2 above:

4.2.1. There is no change in premium basis of approved individual product except the commission rates, rewards and expenses in respect of the distribution channels proposed to be added. There shall be no change in Basic Premium Rate Table.

4.2.2. There is no change in premium rates / charges and benefit amounts under distribution channels already existing under the approved individual product.

4.3 Change of base premium rates referred under Clause 1.3 above:

4.3.1 The ceiling of change of + or – 15% stipulated in Clause 1.3 above shall be reckoned for each age and term of the approved individual product and that no premium rate shall be over and above the ceiling stipulated subsequent to the minor modification effected.

4.3.2 The proposed increase is allowed subject to '*actual loss to expected loss*' ratio exceeding 130% in each of the preceding three full financial years.

4.3.3 Change of premium rates resulting in the increase shall be only after expiry of three years from the date of launch of approved or modified individual product. Notwithstanding the provisions of Clause 3.9, there shall be a gap of at least three years from the date of change effected, before effecting any subsequent increase in the premium under these Guidelines.



4.3.4 There is no change in any other parameter in the premium bases except underlying loss ratio of the preceding Three Years.

4.3.4.1 There shall be no change in the discounts and loadings specified under File and Use of the product.

4.3.5 Notwithstanding Clause 4.3.3, change of premium rates resulting in the decrease is allowed to be effected, at any given point of time, based on the underlying experience of loss ratio and other assumptions of the product subject to complying the norms specified in Clause 3.9 of these Guidelines.

4.3.6 The relation between adverse loss ratio and proposed premium change referred at Clause 1.3 shall be disclosed in the appropriate section of prescribed Form (FORM-IRDAI-FNU-HIP). There shall be no change in benefits, clauses, terms and conditions.

4.4 Addition of approved standalone riders or add-ons to the approved individual health insurance products under Clause 1.4 above:

4.4.1 There is no change in premium rates and benefits approved under the approved individual rider or add-on.

4.4.2 There is no change in premium rates and benefits approved under the approved individual health insurance product to which the rider or add-on is proposed to be added consequent upon the addition of rider or add-on.

4.5 Minor modifications referred under Clauses 1.5 to 1.12 above:

4.5.1 There is no change in the Base Premium Rate Table and other terms and conditions under the approved individual product and that the same basis is being used for calculation of premium rates / charges and benefit amounts under extended ages or changed premium payment term or changed policy term. Premium Rate Table may be extended to incorporate the required changes referred at Clause 1.10 above to the extent of proposed modifications.

4.5.2. Where there is addition of Critical Illnesses covered under benefit based products, as per Clause 1.12 above, the insurer shall ensure that the Definitions of Critical Illness are consistent with the Definitions specified in Guidelines on Standardization in Health Insurance Business, dated 29.07.2016 (Ref: IRDA/HLT/REG/CIR/146/07/2016) as modified from time to time. If insurer is covering any Critical Illness which is not defined as per said Guidelines on Standardization in Health Insurance, the insurer shall disclose the basis on which such definitions are adopted. A certification of the Chief Compliance Officer having obtained the medico-legal opinion that the definition is specific and clear shall be furnished along with the prescribed Form (FORM-IRDAI-FNU-HIP).



4.5.3 Minor changes in the policy wordings shall be limited to those wordings which may enhance the clarity and/or the value to the policyholder in terms of the manner of payment or entitlement of benefit under the policy and in terms of servicing the policy.

4.5.4 Minor changes shall not adversely affect the terms and conditions pertaining to the benefits payable.

5. Procedure to be followed by insurers while effecting the above referred minor modifications to the approved individual product:

5.1 Insurers may launch the modified version of the individual product after filing the same on Certification Basis under these Guidelines on complying with the following requirements and on getting the UIN from the Authority.

5.1.1 The minor modifications proposed are to be placed before the Product Management Committee (PMC) of the respective Insurers and that the PMC has approved the proposed minor modification.

5.1.2 The modified version of the individual product shall be subject to the withdrawal / modification norms specified in Chapter VI of Guidelines on Product Filing and in Circular Ref: IRDA/HLT/REG/CIR/005/01/2017, dated 10<sup>th</sup> Jan, 2017.

5.1.3 Insurers shall file only the appropriate section/s of prescribed Form (FORM-IRDAI-FNU-HIP), Changes made in Policy wordings, highlighting the minor modifications effected.

5.2. The Authority shall issue new UIN for the modified product.

5.3 The modified UIN shall be disclosed as per the provisions of Clause 9 of Chapter II of Guidelines on Product Filing.

6. Documents to be submitted while filing minor modifications on Certificate basis under these Guidelines:

6.1. Certificate from Appointed Actuary, Chief Compliance Officer and MD/CEO of the Insurer as per Annexure 1 of these Guidelines.

6.2 Duly filled in sections of prescribed Form (FORM-IRDAI-FNU-HIP), by highlighting the minor modifications effected.

6.3 Relevant Sections of Policy Wordings by duly highlighting the minor modifications effected.


Miscellaneous:

7. The Authority may inspect the documents submitted by the insurers. The Authority may also call for additional information and supporting data, if



required. If any violation of any regulations, Guidelines, circulars, instructions issued by the Authority from time to time, is noticed, the Authority may direct the Insurer to withdraw the modified version of the product. In such circumstances, the Authority reserves the right to take any action against the Appointed Actuary / Chief Compliance Officer / Chief Executive Officer / insurer after giving an opportunity of being heard as per provisions of extant legal and / or regulatory framework. The Authority also reserves the right to direct the Insurer to withhold the modification effected.

8. The product modified under these Guidelines shall be launched within six months from the date of issuance of UIN by the Authority and shall be notified to the Authority within fifteen days thereof, failing which the UIN allotted under Clause 5.2 of these Guidelines shall be deemed as withdrawn.
9. Where the modifications effected are contrary to these Guidelines and other extant applicable regulatory framework, the Authority reserves the right to issue directions for taking corrective action with retrospective effect in respect of all the policies issued under modified version under these Guidelines.
10. The provisions of these Guidelines shall come into force with immediate effect.

  
MEMBER (NON LIFE) 20/9

1. Name of the Insurer:
2. Name of the approved product and UIN:
3. Date of launch of product or modified product (strike out whichever is not applicable):

Certificate by Appointed Actuary (the language shall not be altered)

"I ---- (name of Appointed Actuary), the appointed actuary, hereby solemnly declare that the information furnished in FORM-IRDAI-FNU-HIP is true.

I also certify that the minor modification proposed to be effected in respect of Clause 1.3 of the said Guidelines, is in conformity with the provisions of the Circular Ref No: IRDA/HLT/CIR/MISC/151/09/2019 dated 20th September, 2019 and that there are no other changes in benefit structure.

Place:

Date:

Signature of Appointed Actuary

(The Certificate from AA would be required only where there is change in premium in respect of minor modification under Clause 1.3 of the Guidelines on Filing of minor changes in the approved Individual Insurance Products offered by General and Standalone Health Insurers on Certification Basis Ref. No. IRDA/HLT/CIR/MISC/151/09/2019 dated 20th September, 2019)

Certificate by Chief Compliance Officer (the language shall not be altered)

"I----- (name of CCO) hereby solemnly declare that the information filed in FORM-IRDAI-FNU-HIP in respect of above minor modifications in the Individual Insurance product is as cleared by PMC on dd/mm/yyyy and will be marketed without any deviation. I, also certify that the following minor modifications proposed to be effected is in conformity with the provisions of Guidelines on Filing of minor changes in the approved Individual Insurance Products offered by General and Stand Alone Health Insurers on Certification Basis Ref No: IRDA/HLT/CIR/MISC/151/09/2019 dated 20th September, 2019.

The following are the minor modifications effected in the product.

4. Minor modifications effected:

(Each of such minor modifications proposed to be made shall be mentioned here)

It is confirmed that there are no other changes effected in the product.

5. Proposed date of launch of product modified under these Guidelines:

It is to further confirm that the product is in compliance with Health Insurance Regulations, 2016 and norms specified in Guidelines on Product Filing. We undertake to file the product afresh if there is any violation in the product filed above.

Place:

Date:

Signature of Chief Compliance Officer

Name and Counter Signature of the Principal Officer / Chief Executive Officer / Chairman cum Managing Director along with name and Company Seal